

REPORT

OF

ACTING COMMISSIONER W. F. O'CONNOR, K.C.

RE

COST OF LIVING

COLD STORAGE IN CANADA

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Report of W. F. O'Connor, K.C., Acting Commissioner re Cost of Living.

OTTAWA, July 9, 1917.

To Hon. T. W. CROTHERS, K.C.,
Minister of Labour,
Ottawa.

COLD STORAGE CONDITIONS IN CANADA.

PART I.

INTRODUCTORY.

The primary object of the investigation concerning which I now report was to discover whether there existed within Canada as among those engaged in the business of cold storage, any illegal combination, undue accumulation or overcharging, in contravention of Order in Council No. 2777 of November 10, 1916; but noting very early in the course of the investigation that much valuable information of a character collateral to its main purpose and not entirely unrelated to it, could be conveniently obtained and recorded along with the necessary data as to business arrangements, stocks, costs and prices, the scope of the investigation was extended to include such other matter. As a result it is possible to make this report one concerning cold storage conditions in Canada, rather than as it would otherwise have been, one concerning the costs and prices of cold storage commodities in Canada. The matters of costs and prices will necessarily receive the larger share of attention notwithstanding.

The popular conception, if one may judge from articles and correspondence in the newspaper press and from discussions heard in smoking cars and in social clubs, is that there is a "food trust" consisting of the various cold storage companies, banded more or less loosely together with the common object of creating an artificial scarcity by means of the accumulation of excessive quantities of foodstuffs so that prices may be enhanced to the great profit of the "trust" and the great detriment of the public. Weird stories are heard of tremendous quantities of food, good and bad, that have been devoted to destruction, to lessen the supply or because they had been held until unfit for consumption. My inquiries enable me to pronounce with emphasis that there is no such "trust" and I have failed to discover any instance of the destruction of fit-food. Broken and bad eggs are of course destroyed, and many millions of eggs will yield many thousands of broken and bad eggs. Injured and unfit food of all kinds is from time to time and quite properly, in all businesses, destroyed. The law so compels. The most dangerous error is one based upon truth. Supplies have been properly destroyed. A story of their guilty destruction makes easy headway. Again there is nothing like combination among the various companies. There is very lively competition instead. A few of the cold storage companies, however, have attained such dimensions, and have so centralized the business in certain lines that as respects particular commodities particular companies are able to exercise a practical

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monopoly, especially of export business. The following pages will make this fact very plainly appear. In some instances this practical monopoly has been fairly and justly administered. In others, concerning which I shall have to specifically report, it has not.

As to the matter of over-accumulation all the evidence is against it. The popular conception is unquestionably wrong. It is surely not open to contradiction that the reasonableness of the amount of stock in trade carried by a person, firm or company engaged in business depends upon the volume of business transacted, by which I mean the "turnover." Immense amounts of produce are bought and carried by the various cold storage companies as of course. But as immense amounts are sold by them. The sales of some of the larger companies, many of them for export, amount to millions of dollars per month. When one hears of a company having on hand say a million dollars' worth of bacon this seems a preposterous holding until one discovers that it represents only sufficient for a fortnight's sales. Canada's exports of foodstuffs have expanded immensely since the beginning of the war. Practically all the meats, and a very large proportion of the eggs, butter, and cheese exported goes through the cold storage houses. The greater stocks carried are necessarily carried. They are not carried for long. They are merely passing through. It would be an idle and a foolish operation, with the world clamouring for food and bidding high for it, if hard-headed business men, able to sell and take fair profits, were to hold their stocks, forego the opportunity of selling, buying and selling again, and gamble upon the chance of further advances. In any event Canadian cold storage companies have not done so, as the facts and figures hereinafter set forth will show. What profits have been made are the result of repeated turnovers. For the six months last past I have maintained a close and persistent scrutiny over the operations of these companies. Without exception they report to me monthly, with items, their stock on hand, their receipts, their costs, their sales, their prices realized and the quantities sold for export and for home consumption respectively. In the beginning the necessary information, covering a four-year period, year by year, 1913 to 1916, inclusive, was obtained under oath. The monthly reports are by cards not under oath, nor need they be for the present purpose, because they connect with the basis information originally obtained. Nor have I omitted to check the returns as to exports by the customs figures, nor to check those given from time to time as to domestic sales by examination of the actual invoices of purchasers, extraneously obtained. Further, in response to many suggestions from such companies that I personally attend and examine their books, I have caused it to be known that in due course an expert accountant will in all likelihood attend for this purpose. You will be aware that I have already recommended such action, for the purpose of verification and especially of securing an accurate computation of the profits upon by-products. I make the preceding statements to justify the claim that the figures hereinafter appearing may be accepted as highly reliable.

As to the matter of the reasonableness of prices and the part played by cold storage companies in the enhancement of prices, I have thought it best to supply, copiously and in detail, the actual figures, so that all who care to investigate may reach conclusions for themselves, whether or not their conclusions agree with mine, which will be stated in proper sequence. I have had occasion in a previous report to state in effect that high prices and unfair prices are not necessarily synonymous. All food prices are ruling high. I shall not reiterate my ideas as to what have been the contributing causes. They have been many. As respects cold storage products, however, I will state here that it seems to me that extensive buying for export has contributed most to the advances in prices of cold storage commodities. A world shortage has induced high bidding in a world market. The domestic price has followed the trend of export prices upwards. And I humbly suggest that the figures which follow will disclose to those who consult them that the Canadian farmer has not been blind to his opportunities. It will be noted that the cost to the various companies of the

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various cold storage commodities has been climbing, and that a direct relation has been maintained between the cost to the companies and their sale prices. In stating this I do not mean to be understood as stating that the relation has been invariable or as contending that there have not been cases of undue profit taking. Quite the contrary, as will appear at a later stage of this report when I shall express an opinion concerning certain seemingly excessive charging, which in my judgment, is none the less open to criticism because, for the most part, the commodities affected were destined for export to Great Britain and the allies overseas. But on the whole the operations of the cold storage companies have stood the test of investigation well. The profits per pound or per dozen of most of these companies have been small, and have not to any great degree contributed to produce the very high prices prevailing. Any one can deduce this fact from the tabulations which appear later on herein. A very small profit, per pound or per dozen, will produce quite an aggregate, all the same, when the operations of a company cover many millions of pounds or of dozens. For this reason it seems to me that such companies may well be content in such times as these with a very minute profit, per pound or per dozen, indeed.

As already stated, the investigation covered the period of 1913 to 1916 inclusive. Thus comparisons may be made with conditions prevailing before the war. In addition, this report is extended to take in the operations of the cold storage companies to the first day of May last. It will appear that while we have quite sufficient cold storage products for our own needs, and more, an abnormal export demand is lessening our stores and enhancing the prices of commodities for domestic consumption.

It is planned to issue a monthly bulletin hereafter stating the exact conditions obtaining during the period immediately preceding the issue.

The three subsequent parts of this report are devoted to (1) a classification of the cold storage establishments, including abattoirs, in Canada, and a consideration of their character; (2) a consideration of the proper functions of cold storage companies and of the operations of the year 1916 in Canada with an analysis of the margins of profits and of the relation of exports to domestic consumption; an analysis of the business done by certain of the larger companies; a consideration of the reasonableness or unreasonableness of the amount of stocks carried; a comparison of margins of profits, etc., and of the business done in the years 1913 to 1916; and a consideration whether the business of the larger companies has proportionately increased with relation to the total Canadian trade in cold storage products since the war; (3) a statement of the present conditions with prevailing costs and prices and a comparison with the equivalent period of one year ago.

PART II.

CLASSIFICATION AND CHARACTER OF CANADIAN COLD STORAGE ESTABLISHMENTS, INCLUDING ABATTOIRS.

The cold storage companies of Canada, including abattoir houses, control about half the meat which is killed in Canada and about one-fifth of the total quantity of eggs produced in Canada, more than one-third of the cheese and about one-fifth of the butter; that is, approximately these proportions of the total products of Canada in each of these commodities pass through cold storage in their transit from producer to consumer. It is not all the property at any given time of cold storage companies but is either owned by them or stored on their premises. It will be shown in the course of this report, however, that public warehousing, properly so-called, that is, the storing of goods in refrigerated space supplied by a company not owning the goods stored, bears a small proportion to the total quantity of produce passing through cold storage. In this Canada is unique and in spite of the effort of successive Governments to encourage the public storage business by subsidies the trend towards concentration in the handling of food to a limited number of private companies has not been checked and with the progress of the war is becoming more marked. This is part of the price Canada has paid for her position as a trader in a world market.

There are about one hundred and ten cold storage warehouses in Canada, operated by seventy-six different companies, two being American owned. Seven operate one establishment only. Five are large export houses. These include nine establishments, exporting chiefly dairy products, each with at least one branch in Montreal. There are twelve companies dealing chiefly in fish, two of which have two establishments each, the others only one each. There are thirty-nine storage warehouses dealing in general cold storage commodities, including meats, dairy products, eggs and fish, the proportion of each commodity handled depending upon the location of the warehouse. One of the latter companies is affiliated with one of the abattoir companies. Thus thirty-eight independent establishments handle general produce.

The large centres of cold storage operations are Montreal, Toronto, Winnipeg, Calgary, Moosejaw, Edmonton and Vancouver. The number of cubic feet of refrigerated space available in Montreal is approximately 3,350,000; in Toronto, 3,600,000; in Winnipeg, 2,500,000; in Calgary, 1,350,000; in Vancouver, 1,500,000; in Moosejaw, 600,000; and in Edmonton, 800,000. In Vancouver the greater part of the cold storage space is used for fish; on the prairies east to Fort William meat takes the greater part of the cold storage space; in Toronto, meat and dairy products; in Ontario, exclusive of Toronto, dairy products; in Montreal, butter, cheese and eggs, and in the Maritime Provinces, fish. Each of the large meat firms which do any export trade have also an export house in Montreal.

Appended is a list of the names and addresses of every known cold storage warehouse in Canada with the number of cubic feet of refrigerated space. The classification here used is on the basis of the food handled by cold storage companies, the abattoirs dealing chiefly in meat, the general cold storage warehouses dealing in meat, eggs, and dairy products and fish to a limited extent. Those classified under the heading "Fish" usually store butter and eggs, cheese (to a very limited extent) and a small proportion of meat.

CLASSIFICATION OF COLD STORAGE WAREHOUSES ACCORDING TO COMMODITIES STORED.

ABATTOIRS.

AMERICAN COMPANIES.

EXPORT HOUSES.

A. A. Ayer & Co., Montreal..	700,000
Gould Cold Storage Co., Montreal..	500,000
Lovell & Christmas, Ltd., Montreal..	460,000
Ingersoll Packing Co., Montreal..	4,000
“ “ Ingersoll..	650,000
Whyte Packing Co., Montreal..	40,000
“ “ Brockville..	87,000
“ “ Stratford..	200,000
Total refrigerated space..	2,641,000

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FISH.

	Cubic Feet.
S. Y. Wilson, Halifax... ..	99,600
Maritime Fish Co., Canso Cold Storage, Canso, N.S... ..	62,000
Lockeport Cold Storage Co., Lockeport, N.S... ..	59,000
North Atlantic Fisheries Co., Port Hawkesbury... ..	338,550
A. & R. Loggie Co., Loggieville, N.B... ..	40,000
Maritime Fish Corporation Co., Ltd., Montreal, Que... ..	None.
Dominion Fish and Fruit Co., Quebec, Que... ..	225,000
Lemon Bros., Owen Sound... ..	66,000
M. Doyle Fish Co., Toronto, Ont... ..	25,000
Winnipeg Fish Co., Ltd., Winnipeg, Man... ..	87,628
W. J. Guest Fish Co., Winnipeg, Man... ..	30,000
St. Mungo Packing Co., New Westminster, B.C... ..	40,000
Canadian Fish and Cold Storage Co., Prince Rupert... ..	781,000
Canadian Fishing Co., Vancouver... ..	300,000
Total refrigerated space... ..	2,154,718

NOTE.—Maritime Fish Co. have cooling rooms but have no refrigerated space.

GENERAL.

New Brunswick Cold Storage Co., St. John, N.B... ..	744,000
Ames & Sons, Sherbrooke, Que... ..	110,000
Brantford Cold Storage Co., Brantford, Ont... ..	36,000
T. Long & Bros., Ltd., Collingwood, Ont... ..	36,000
R. H. Ashton Co., Morrisburg, Ont... ..	45,000
E. Morgan, Delhi, Ont... ..	24,000
Government Pre-Cooling and Experimental Warehouse, Grimsby... ..	40,000
Flavelles, Ltd., Lindsay, Ont... ..	131,510
London Cold Storage and Warehousing Co., London, Ont... ..	400,000
Scott & Hogg Co., Peterborough, Ont... ..	90,000
Moore Co., St. Mary's, Ont... ..	105,000
St. Thomas Packing Co., St. Thomas, Ont... ..	174,141
Algoma Produce Co., Sault Ste. Marie, Ont... ..	55,806
J. B. Jackson & Co., Simcoe, Ont... ..	36,000
Bowes & Co., Toronto, Ont... ..	40,000
John J. Fee, Toronto, Ont... ..	30,000
Manning Cold Storage, Toronto, Ont... ..	300,000
Marshalls Co., Ltd., Toronto, Ont... ..	40,000
Toronto Municipal Abattoir and Cold Storage, Toronto, Ont... ..	155,904
Public Cold Storage and Warehouse Co., Toronto, Ont... ..	768,000
W. Wight & Co., Toronto, Ont... ..	34,529
Essex Provision Co., Windsor, Ont... ..	67,300
Chatham Packing Co., Chatham, Ont... ..	50,000
Brandon Creamery and Supply Co., Brandon, Man... ..	27,500
MacDonald & Co., Ltd., Winnipeg, Man... ..	67,200
Manitoba Cold Storage Co., Winnipeg, Man... ..	1,500,000
Moosejaw Cold Storage Co., Moosejaw... ..	189,764
Regina Packing Cold Storage Co., Regina, Sask... ..	40,000
Metropolitan Cold Storage Co., Vonda, Sask... ..	24,000
Campbell, Wilson & Horne, Ltd., Lethbridge, Alta... ..	5,000
Edmonton Cold Storage Co., Edmonton, Alta... ..	150,056
Campbell-Griffin, Ltd., Calgary, Alta... ..	111,050
British Columbia Packers' Association, Vancouver, B.C... ..	400,000
Mainland Ice and Cold Storage Co., Vancouver, B.C... ..	155,000
Vancouver Ice and Cold Storage Co., Vancouver, B.C... ..	700,000
B. Wilson Co., Ltd., Victoria, B.C... ..	74,000
Pacific Cold Storage Co., Dawson, Yukon Territory... ..	44,900
F. W. Fearman Co., Hamilton, Ont... ..	155,200
Total refrigerated space... ..	7,156,860

The extent of refrigerated space owned respectively by these different classes indicates the magnitude of their operations. Of a total of over 24,000,000 cubic feet of refrigerated space approximately 12,200,000 is held by the abattoir companies, 2,650,000 by the export houses dealing in dairy produce and eggs, 2,250,000 by the fish companies and 7,200,000 by general cold storage warehouse companies.

The dealings of the abattoir companies are the most extensive of any of the cold storage operators. It will be observed from the appended list that some of these companies are very large, what might be called zone companies, having establishments in

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the strategic points, for the accumulation and distribution of meats. Some limit their activities to Western Canada. The export trade of such companies is comparatively small. Those covering Eastern Canada while supplying a large home market have also a very large export trade. Those establishments in the important centres of both Eastern and Western Canada supply both the home and export market. The organization of the abattoir companies is most complete. They buy the live stock in the centres most convenient to the supply, kill in their own abattoirs and by the most elaborate and efficient methods manufacture the by-products and conserve the whole by means of refrigerated space. They are thus enabled to hold the dressed meat as a commodity of commerce longer than is the local butcher and to supply the home or the export market according as opportunity offers. Three of these huge meat companies carry the control of their products still further and have established retail branches in the larger cities, thus completing the process of transit from producer to consumer. Approximately 40 per cent of the quantity sold by these three companies for home consumption is consigned to their retail stores. Such retail stores are allowed a slight reduction on the cost of food received. One company has about 80 and another about 40 of such retail stores. Aside from the very complete and thorough system of distribution thus evolved, such companies have an immense advantage over the small butcher on account of the facilities which they possess for manufacturing by-products. This enables such stores to compete on more favourable terms with other retail stores dealing in the same lines. The proceeds from by-products ought to enable the abattoir companies to sell on a much smaller margin than can the smaller butcher and if necessary to pay a higher price to the producer than the smaller buyer can afford, but nothing disclosed upon the investigation indicated that either of these natural results have in fact followed. Such companies do not limit themselves to dealing in meat. The traffic in butter, cheese, eggs and fish, although secondary in importance, is large in volume.

The export houses for dairy produce and eggs are situated in Montreal. Two of these it will be observed have branches in Ontario. The Montreal branches are designed chiefly to handle the goods exported from Ontario to Great Britain. The Gould Cold Storage Company maintain there a very large public warehouse, storing for others only. The remaining two, while storing for others, devote most of their energies to dealing for themselves, being the export buyers for approximately a quarter of the cheese produced in Canada.

The fish companies show the rudiments of zone organization but are only slightly developed along that line. Although there are only four inland fish cold storage companies, namely the Doyle Fish Company, Toronto, Lemon Bros., Owen Sound, the Winnipeg Fish Company and the Guest Fish Company, Winnipeg, yet many of the general cold storage warehouses store fish in large quantities.

CLASSIFICATION OF COLD STORAGE WAREHOUSES AS PUBLIC OR PRIVATE.

The facts revealed in the report on cold storage in Massachusetts in 1912 show a very striking contrast to conditions prevailing in Canada. In Massachusetts nearly 90 per cent of the cold storage warehouse business was public warehousing, that is the storing of goods not the property of the firms operating the warehouses. In Canada the conditions are reversed. Approximately 650,000,000 pounds of produce were *purchased* by Canadian cold storage companies in 1916 and about 88,000,000 pounds of produce not the property of the firms on whose premises it was stored were received into store. Just what proportion of the latter amount was the property of other cold storage companies, storing outside their own premises, for convenience, it is impossible to state. Whereas about 90 per cent of the cold storage business in

Massachusetts in 1912 was public warehousing, in Canada in 1916, only about 12½ per cent was public warehousing.

Cold storage warehousing is essentially a public utility in that it preserves perishable farm products so that instead of being subject to commerce only in a local way, as formerly, they have now become subject to the demands and opportunities of world commerce. The public character of this industry is recognized, however, by most of the private companies in that, on request, they store goods for others. There are three classes of cold storage establishments:—

First—Public and subsidized.

Second—Public but not subsidized.

Third—Private.

In view of the necessity of providing more space for public storing, a plan of subsidization was instituted in 1907 through the Department of Agriculture of Canada. The Dominion Government makes to newly organized cold storage establishments a total grant of 30 per cent of the cost of construction, 15 per cent being paid in the first year, 7 per cent in the second, 4 per cent in the third, 2 per cent in the fourth and 2 per cent in the fifth. The grant has been completely paid to twenty-five of these warehouses. Eight are still receiving grants. Up to March 31, 1917, amounts aggregating \$132,539 had been paid on the grant made to these eight other warehouses, the balance still due being \$20,953. As stated, however, public warehousing is not limited to warehouses publicly subsidized but is characteristic of practically all the cold storage plants. A publicly subsidized warehouse is required by law to store goods for others upon request. The public warehouses are supposed to derive most of their revenue from public warehousing, the private warehouses from trading in the commodities which they store. But an instance of a large public warehouse deriving practically all its revenue from private dealing is recorded later on herein.

PUBLICLY SUBSIDIZED COLD STORAGE WAREHOUSES.

	Cubic Feet.
Lockeport Cold Storage Co., Lockeport, N.S.	59,940
North Atlantic Fisheries, Port Hawkesbury, N.S.	338,550
“ “ Halifax Cold Storage, Halifax.	80,000
New Brunswick Cold Storage Co., St. John, N.B.	744,000
Island Cold Storage, Charlottetown, P.E.I.	150,000
Sansregrette Cold Storage, Joliette, Quebec.	23,394
Algoma Produce Co., Sault Ste. Marie, Ont.	55,806
Dominion Fish and Fruit Co., Quebec City, Que.	225,000
Brantford Cold Storage Co., Brantford, Ont.	36,000
J. D. Moore, St. Mary's, Ont.	105,000
Flavelles, Ltd., Lindsay, Ont.	131,500
St. Thomas Packing Co., St. Thomas, Ont.	174,141
Windsor Ice and Cold Storage Co., Windsor, Ont.	67,300
Lemon Brothers, Owen Sound, Ont.	66,000
Whyte Packing Co., Mitchell, Ont.	30,600
Scott & Hogg, Peterborough, Ont.	90,000
Gunns Co., Ltd., Harriston, Ont.	57,069
Chatham Packing Co., Chatham, Ont.	144,400
R. H. Ashton, Morrisburg, Ont.	45,000
Brandon Creamery and Supply Co., Brandon, Man.	27,500
Metropolitan Cold Storage Co., Vonda, Sask.	24,000
Moose Jaw Cold Storage Co., Moosejaw, Sask.	189,764
Campbell-Griffin, Ltd., Calgary, Alta.	111,050
Edmonton Cold Storage Co., Edmonton, Alta.	150,056
Canadian Fish and Cold Storage Co., Prince Rupert, B.C.	781,000
B. Wilson & Co., Victoria, B.C.	64,000
Total refrigerated space.	3,823,780

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COLD STORAGE WAREHOUSES NOT SUBSIDIZED.

	Cubic Feet.
Canada Cold Storage Co., Montreal..	762,000
Lovell & Christmas, Ltd., Montreal..	460,000
A. A. Ayer, Ltd., Montreal..	700,000
Gunn, Langlois, Ltd., Montreal..	400,000
A. Ames, Sherbrooke, P.Q.	110,000
Municipal Abattoir, Toronto, Ont..	155,904
Long Bros., Collingwood, Ont..	36,000
London Cold Storage Co., London, Ont..	400,000
Ottawa Cold Storage Co., Ottawa, Ont..	129,000
Manning Cold Storage Co., Toronto, Ont..	300,000
Public Cold Storage and Warehouse, Toronto Ont..	768,000
Government Cold Storage Station, Grimsby, Ont...	40,000
Manitoba Cold Storage, Winnipeg, Man..	1,500,000
Vancouver Ice and Cold Storage, Vancouver, B.C..	700,000
Pacific Cold Storage Co., Yukon..	44,900
Total refrigerated space...	6,505,804

It will be observed from the above list that the publicly subsidized cold storage plants have a total refrigerated space of 3,823,780 cubic feet and that the other public warehouses have a total of 6,505,804 cubic feet, leaving the total refrigerated space of the private warehouses 13,800,000 cubic feet. Only three of the publicly subsidized cold storage warehouses limit their activities to storing for others only, the contention being that they are not sufficiently patronized and that the income from public storing is too small to enable them to meet their expenses without the profit derived from dealing in cold storage commodities at first hand. The proportion between the goods stored for others and that bought for the purposes of trade by the publicly subsidized cold storage warehouses is shown in the following table:—

PUBLICLY SUBSIDIZED COLD STORAGE WAREHOUSES.

	Quantity Received into Store for Others in 1916.	Quantity Purchased during 1916.
Butter.. . . . .lbs.	1,287,965	3,658,029
Eggs.. . . . .doz.	950,597	5,388,779
Cheese.. . . . .lbs.	95,881	1,792,757
Beef.."	2,768,151	210,000
Pork.."	514,153	
Bacon.."	26,714	200,306
Ham.."	10,570	306,733
Mutton and Lamb.."	621,653	414,356
Fish.."	2,633,267	3,320,169
Total..	8,908,951	75,367,850

PUBLIC COLD STORAGE WAREHOUSES NOT SUBSIDIZED.

	Quantity Received into Store for Others in 1916.	Quantity Purchased during 1916.
Butterlbs.	7,663,356	9,273,484
Eggs.. . . . .doz.	3,844,640	3,169,850
Cheese.. . . . .lbs.	47,349,410	55,471,110
Beef.."	13,887,252	360,640
Pork.."	1,103,075	1,900,600
Ham.."	16,200	12,010
Bacon.."		12,140
Mutton and lamb.."	1,041,213	33,860
Fish.."	462,704	49,512
Total..	15,291,130	70,283,214

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The total amount of produce handled by subsidized companies in 1916 was over 84,000,000 pounds; 12 per cent only was stored for others. The total amount of produce handled by public warehouses not subsidized during the same period was approximately 85,000,000 pounds; 18 per cent of which was stored for others. The total quantity of produce stored in 1916 in subsidized and public warehouses not the property of the firms occupying the warehouses, was slightly over 24,000,000 pounds. It will be remembered that the total quantity received into store in cold storage warehouses in 1916, not the property of the companies storing, was about 88,000,000 pounds; 64,000,000 pounds of produce was stored, therefore, by concerns which although technically called private warehousing companies deserve the title of public cold storage establishments from the fact that they store 73 per cent of all the food put into cold storage, not the property of the firms storing. It may be, however, that considerable of the produce thus stored was the property of other storage companies, stored for convenience outside their premises.

In connection with the above list of publicly subsidized cold storage warehouses and in accentuation of the comparison between the amount of storing on behalf of the companies and of the public, it may be mentioned that one firm in Lindsay which received the last grant on its total subsidy of \$15,900 in 1915 reports a very small quantity of produce stored for the public since 1913, so insignificant in fact that no record is kept of the amount. This although the company did a very flourishing trade in that section of the country, purchasing approximately 2½ million pounds of butter, nearly 4 million dozen eggs and over 1½ million pounds of cheese, from January 1 to December 1, 1916. The company's trade has trebled, indeed, since 1913. But the fact is that public warehousing meets a very real need as is shown by the business handled both by public and private warehouses. In the Maritime Provinces the public warehouses are particularly useful to the public. In 1916 they stored, three hundred thousand pounds of butter, nearly two million pounds of beef and two million pounds of fish, the property very largely of the smaller dealers in fish and produce.

The public non-subsidized warehouses of Montreal, Toronto, London, Winnipeg, and Moosejaw are likewise performing a valuable public service. Those storing for others only, in Montreal, received approximately in 1916, 3,600,000 pounds of butter, 600,000 dozen of eggs, 40,000,000 pounds of cheese, and 3,000,000 pounds of meat and fowl.

Some of the larger public warehouses in Montreal which deal in produce for themselves but also offer public storage space, have proved useful to wholesale dealers, creameries and cheese factories, as depots for their produce destined for export. Two such warehouses stored for others in 1916, over a million pounds of butter, one and one-half million dozen of eggs and five million pounds of cheese.

The Montreal warehouses lead in public storing because they are located in the great export centre of Canada. The private cold storage warehouses in Toronto are both numerous and extensive. The public warehouses there play a much smaller role than in Montreal. For 1916 they show over a million pounds of butter stored; more than half a million dozen eggs; 600,000 pounds of cheese and about 3,000,000 pounds of meat, two and a half million pounds of which was beef. The Manitoba Cold Storage Company of Winnipeg, a public non-subsidized company storing for others only, show over a million pounds of butter received into store, over a half million dozen of eggs, nearly eight million pounds of beef and about half a million pounds of other meats.

Some of these figures are very remarkable in view of the increased export trade and as indicative of the degree of concentration of export commodities. Of the 3,600,000 pounds of butter referred to above as being stored by the public warehousing companies in Montreal which limit their business to public warehousing, nearly three and one-quarter millions were received into store by one company. The

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actual destination of this butter is not known, but when it is considered that but 8,241,570 pounds were exported from all Canada, it is fairly safe to conclude that perhaps one-half of the butter exported from Canada passed through the premises of this one company. Eighteen and three-quarter million pounds of cheese were received into store during the year by another public warehousing company and over twenty-two million pounds by yet another company. A very large proportion of this was undoubtedly destined for export. Such companies as these would seem to be performing a very valuable public service. Their revenue is entirely derived from storage charges. It is obvious that these charges are reasonable from the fact that the concerns are so largely patronized.

In view of any possible effort on the part of the State to control export trade or export prices, it might be well to note that because such a large proportion of these commodities passes through only two or three warehouses governmental control or supervision would not be difficult to bring into effect.

PART III.

FUNCTIONS OF COLD STORAGE ESTABLISHMENTS—MARGINS OF PROFITS 1915-16—THE OPERATIONS OF "BIG BUSINESS"—THE MATTER OF OVER-ACCUMULATION.

The functions of the cold storage business in Canada are threefold:—

(1) to purchase the food products from the producer, (2) to prepare and preserve them, (3) to distribute them in (*a*) the home, and (*b*) the foreign markets. Note that these functions are stated in the order of their present importance in Canada. The primary function of a cold storage enterprise has not been supposed to be the purchasing and distributing of food but it has become such in Canada, wherein the essential function of preserving the food for the public by refrigeration has been reduced to a position of secondary importance. This fact has been already proved by a comparison of the quantities of food stored for the public with those stored by the cold storage companies themselves for private dealing.

It is essential in the interest of efficiency and economy that the purchasing and distributing of food be performed by the expert and experienced. In some countries it is the direct producer who in the main controls distribution. This is true of the Argentine, where the large landholders and owners of numerous herds exercise great authority by means of their land control and the immense revenues derived from land and cattle; but in more commercialized North America the control of food supplies and the benefit of the revenue derived from such is mainly in the hands of the distributors. It does not necessarily follow, however, that such control has been oppressively exercised. It will be shown, from the comparative smallness of the margin secured by nearly all of these distributors as compared with the actual spread in the price paid to the producer and by the consumer, that the amount of such spread is by no means entirely due to the cold storage companies (as so many have supposed or alleged), and that the average selling price of cold storage commodities is relatively much nearer the price paid to the producer than is the retail price. This is naturally so because the cold storage operator is the next to handle the food after the primary producer, whereas the grocer and the butcher come third or fourth in the order of those who pass it along to the consumer; but when in December, for example, the farmer was receiving about 47 cents for his butter, the cold storage companies were selling it at about 49 cents and the grocer selling it at 55 cents. This is one specific example only, but it is indicative of the general trend of prices. The greater part of the "spread" between the price paid to the producer and that paid by the consumer arises after the products are out of cold storage.

The causes of the conditions referred to are manifold and of long standing, and if the purpose of this report were to provide an analysis of Canadian commercial history, instead of as exact as possible a statement of the conditions presently and immediately affecting cold storage commodities, this would be as good a place as any for reciting and analyzing them. But, wandering not from the text, and taking conditions as they are, the simple and potent fact is that the large cold storage companies which operate in the different sections of Canada, having or securing the capital to control and the organizations to distribute the country's food products, have set themselves to the doing of it, and with success. This control does not in all cases approximate the absolute. With respect to certain lines it does. Canada's export trade of cold storage products is practically limited to four or five large meat companies and three or four large export houses which export cheese and dairy pro-

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ducts. This export trade, which has attained to such immense proportions since the war, has greatly increased the capital and solidified the organization of the companies which have been so fortunate as to have had it come, or to have contrived to bring it their way. When the opportunity offered they were ready for it, and whether or not they have administered a practical monopoly of their country's food-stuffs in time of war in such manner as in the judgment of their country they had ought, there is due to them at least a meed of admiration on account of the efficiency with which they have performed what they set out to do. Their reward has been that which, doubtless, they anticipated—a large and increased revenue with substantial profits. In the face of a tremendous and consistent export demand the matter of the prices payable by them to their vendors was one practically immaterial, and seems to have been so regarded. The unfortunate domestic consumer, though living in a land of plenty, was thus constituted a competitive buyer as against a hungry world, whose fields and farms produced not enough or not at all; the export prices reacted upon domestic prices and raised them, notch by notch, until Canadian foodstuffs for home consumption were selling, as they yet are, at prices ordinarily associated with periods of famine. It is proper that the Canadian consumer's contribution towards the upbuilding of Canada's immense export trade, so rendered, should be recognized. Up to the present the laurels have gone to the purveyors. The food consumer has suffered as a result of war conditions. The food purveyor has not. He has seen to it that he has been well and sufficiently paid. Accordingly, while yielding well-deserved credit to the cold storage companies of Canada for the capable manner in which they have grappled with the problem of supplying the needs of the armies and people of Great Britain and the allies, it will be well to remember that the performance has been upon strictly business and not upon patriotic lines. The consumer, who alone has suffered for his country in the process, is the patriot.

The control exerted by the cold storage companies over export trade is shown by the proportion of such handled by them. Of the $7\frac{1}{2}$ million pounds of butter exported, $5\frac{1}{4}$ millions pass through the hands of cold storage companies. Of the 157 million pounds of cheese, exported during 1916 from Canada, 55 millions were sold by cold storage companies and undoubtedly a very large proportion of the 47 million pounds received into storage by such companies was destined for export as practically all this 47 million pounds was in the warehouses of Montreal firms. The census returns show $4\frac{1}{2}$ million dozen eggs sold for export. The cold storage companies show 6 million dozen eggs sold for the same purpose during the same period. It is possible that quantities have been duplicated in some cases but upon inquiring from the companies which did the bulk of the export trade it was stated that such duplication would not enter to any considerable degree into the records of the different companies, because eggs specified as for export would not be likely to pass into the hands of any other cold storage company. The difference is obviously due, then, to delay in passing through the customs houses or some other cause. Also a small proportion of these eggs sold for export was purchased from the United States. It was not attempted to discover exactly what this quantity was. Of the 41 million pounds of beef sold for export about 14 millions were sold by cold storage companies. The total quantity of pork and pork products shown by the Trade and Commerce returns is approximately 195 million pounds. One hundred and seventy millions were sold by cold storage companies. It will be readily observed, therefore, that of the total quantity of food sold for export, the cold storage companies control a very large proportion, indeed. Of the quantities used for home consumption they control such a proportion as to make them a very potent, but not necessarily a controlling factor because other groups of food dealers are still sufficiently strong and well established to compete vigorously with the cold storage operators in the purchasing and distributing of certain lines of food. The following table is an analysis of the business done by all the cold storage companies of Canada in 1916. From this table has been omitted the report on fish which will appear in a separate section.

TABLE No. I.

Commodity.	1	1 (a)	2	3	4	5	6	7	8	9	10
	Total production of Canada (Note 1) and the total quantity of meat (dressed weight) killed in Government abattoirs (Note 2) for twelve months from Jan. 1 to Dec. 1, 1916.	Estimated Home Consumption for all Canada.	Total quantity purchased by cold storage companies and cost of same laid down in the warehouses of these companies.		Average cost per pound.	The total quantity sold and amount for which sold (Note 11).		Average Selling Price per lb. or doz.	Margin per lb. or doz. (Note 1).	Quantity sold for export from Canada according to the Trade and Commerce Return (Note 3).	
	lbs. or doz.		lbs. or doz.	\$	cts.	lbs. or doz.	\$	cts.	cts.	lbs. or doz.	cts.
Butter	224,000,000	216,000,000	46,561,063	14,358,160	30.83	43,867,720	14,359,430	32.73	1.90	7,670,270	38.20
Cheese	202,000,000	20,000,000	76,806,324	13,908,000	18.11	72,638,890	13,713,058	18.88	0.77	157,768,762	19.40
Eggs	145,000,000	138,400,000	28,122,683	7,326,214	26.05	26,410,119	8,018,002	30.36	4.31	4,504,463	34.40
Beef	295,823,000	484,000,000	189,952,154	20,425,417	10.75	170,472,195	19,522,000	11.45	0.70	40,998,879	12.80
Fresh Pork .....	.....	.....	113,125,331	16,789,800	15.76	69,629,564	10,909,167	15.67	0.83	.....	.....
Smoked Pork .....	.....	.....	45,723,503	7,009,367	15.33	54,056,692	9,927,020	18.36	3.03	.....	.....
Pork	325,636,000	536,000,000	158,848,834	23,799,167	15.0	123,686,256	20,836,181	16.85	1.85	12,005,270	14.10
Bacon .....	.....	.....	125,605,834	19,795,040	15.76	151,309,429	30,787,823	20.34	4.58	162,401,293	19.10
Ham .....	.....	.....	14,383,485	2,761,676	19.20	14,390,367	3,067,809	21.32	2.11	3,858,032	16.10
Mutton and Lamb	28,956,000	72,000,000	13,609,605	2,286,939	16.80	12,666,380	2,205,229	17.41	0.61	183,601	14.10

NOTE 1.—Estimation based on the exports plus the estimated per capita consumption and the figures of the last decennial census.

NOTE 2.—This includes practically all the live stock killed in the abattoirs and represents, according to the estimates of the Agricultural Department, about half of the live stock killed in Canada.

NOTE 3.—This is the difference between the average selling price and the average cost price including all expenses of storing, overhead charges, losses and profit.

NOTE 4.—This is the difference between the average cost price per pound or dozen and the average selling price for export.

TABLE No. I—Concluded.

Commodity.	11	12	13	14	15	16	17	18	19	20	21	22	23		
	Quantity sold for ex- port by the cold storage companies of Canada (Note 5).	Average selling price per pound.	Margin per pound or doz. (Note 4)	Quantity sold for Home Consumption by the cold storage companies in Canada (Note 8).	Average selling price per lb. or doz. (Note 6)	Margin per lb. or doz.	Quantity available for consumption, 1916.	Quantity received into store during year.	Quantity in store 1916.		Goods stored in cold storage warehouses in Canada, not the property of the firms operating the warehouses in which they were stored.				
									Sept. 1.	Dec. 1.				Sept. 1.	Dec. 1.
Butter.....	5,241,297	1,646,297	31.40	0.57	29,376,287	9,750,405	33.18	2.35	8,824,657	7,277,918	10,494,659	4,710,977	3,669,093		
Cheese.....	55,942,457	10,373,191	18.54	0.43	15,536,524	3,206,290	20.64	2.53	4,667,910	4,732,118	47,995,774	6,803,571	3,346,613		
Eggs.....	6,057,522	2,036,058	33.61	6.56	16,344,677	4,877,425	29.84	3.79	6,515,188	2,623,436	5,708,418	4,836,349	1,703,948		
Beef.....	13,885,286	1,381,227	9.94	0.81	110,104,060	12,386,520	11.25	0.50	6,793,916	31,537,160	16,970,038	657,858	8,568,028		
				less											
Fresh Pork.....	24,904,787	4,191,416	16.83	3.68	47,007,346	7,400,648	15.74	0.90	13,569,032	9,455,700	1,623,622	378,122	144,582		
Smoked Pork.....	7,164,306	1,378,750	19.24	3.91	26,673,188	5,220,908	19.57	4.24	7,782,791	7,357,657					
Pork.....	32,069,093	5,570,168	17.37	2.37	773,680,534	12,621,556	17.13	2.13							
Bacon.....	136,899,648	27,723,928	20.25	3.68	12,537,254	2,464,899	19.66	3.09	5,818,464	8,812,385	36,844	none	9,815		
Ham.....	2,111,764	355,169	16.82	2.38	10,483,628	2,403,881	22.93	3.73	815,703	1,236,716	37,370	3,900	10,721		
				less 6.											
Mutton and Lamb.....	45,400	7,634	16.81	0.01	12,003,446	2,088,283	17.39	0.59	646,917	2,108,057	1,576,285	13,255	840,259		

NOTE 5.—This is the difference between the average cost price and the average selling price for home consumption.

NOTE 6.—This does not represent a loss as much meat sold for export in 1916 was bought in 1915 when the average cost of cold storage plants was lower than in 1916.

NOTE 7.—This includes some smoked pork products as well as bacon, the prices of such being very similar.

NOTE 8.—It will be observed that the sum of the quantities sold for export and for home consumption by the cold storage companies does not equal the total quantity sold. The reason for this is that many of the cold storage companies were unable to state whether their sales were for export or for home consumption, but a very considerable proportion of the total sales is shown in these two columns.

NOTE 9.—With regard to fresh pork a large percentage that was purchased as such was manufactured into bacon, ham and smoked pork and was sold as such.

NOTE 10.—This includes sales made by all dealers of all kinds in Canada.

NOTE 11.—Where the quantity sold exceeds the quantity purchased the excess represents partially the quantity on hand at the beginning of the year.

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In column 1 of the preceding Table No. 1 is given the estimated total production of Canada for butter, cheese and eggs, the figures being based on the per capita consumption as shown by the last decennial census, exports and imports. The population for 1916 is taken as eight millions. The figures for meats in column 1 of the table are an actual record of the dressed weights of meat killed in Government inspected abattoirs and represent according to the computation of the Agricultural Department, about one-half of the meat produced in Canada. In column 1 (a) is given an estimation of the total quantities of the different commodities which entered into home consumption. The figures for butter, cheese and eggs are arrived at by taking the per capita consumption estimated by the Agricultural Department for butter, cheese and eggs and multiplying it by eight millions, the per capita consumption for butter being 27 pounds, for cheese 2½ pounds, and for eggs 17.3 dozen per annum. The figures for meats in column 1 (a) are based on the per capita consumption for beef, pork and mutton and lamb estimated by the commission appointed by the Agriculture Department of the United States in their report published in 1916 on the meat situation. In this report an analysis is made of the meat consumption of Canada, the United States, the Argentine and the different European countries. The per capita consumption in Canada of beef in 1911 is taken as 61 pounds, of mutton and lamb 9 pounds, and of pork 67 pounds. It would appear from the fact that 325,000,000 pounds of pork as against 295,000,000 pounds of beef passed through Government inspected abattoirs in 1916, that the proportion of pork consumed, as compared to beef, has risen. This suggestion is substantiated by the table of per capita consumption in Canada for meats as estimated by the same commission for 1900. It is as follows: beef, 54 pounds; mutton and lamb, 11 pounds; pork, 44 pounds. The spectacular increase in exports of pork, however, would account very largely for this. The export of fresh pork sold by cold storage companies in 1913 was approximately 2 per cent of the total quantity sold; in 1916 it was 26 per cent; of bacon in 1913 it was 24 per cent; in 1916 it was 91 per cent of ham; in 1915 less than 1 per cent was exported; in 1916 approximately 15 per cent. The figures in column 2, therefore, are not given as accurate or reliable data but are inserted for purposes of comparison as the nearest approximation procurable. The relation between the quantities of food products passing through cold storage and the total food products of Canada may now be seen. Approximately one-fifth of the butter produced in Canada passes through cold storage, more than one-third of the cheese, and about one-fifth of the eggs. Of the beef killed in Government inspected abattoirs approximately two-thirds pass through cold storage; and practically all the pork. The shrinkage in bacon and hams is about 10 per cent of the weight of the fresh pork. Considering this shrinkage it is evident that the total weight of pork, bacon and ham very nearly approximates that of the total quantity of pork killed in Government inspected abattoirs. About half of the mutton and lamb so killed passes through cold storage. The estimation of 72,000,000 pounds of mutton and lamb as consumed in Canada in 1916 is probably too high, as the tendency is apparently toward a decrease in the consumption of this kind of meat. The figures in column 21, that is the quantity of different commodities not the property of the firms storing received into storage by the cold storage warehouses, must be taken into consideration with column 2. It will be observed that 10,500,000 pounds of butter, 48,000,000 pounds of cheese, 6,000,000 dozen eggs, 16,000,000 pounds of beef and 1,500,000 pounds of fresh pork were thus stored. Some of this was the property of cold storage companies although much of it was stored for the convenience of the public.

It is obvious, therefore, that the cold storage companies are a very large factor in supplying the food market at home, but their control of the export trade is much more complete, even more so than the figures in column 11 would indicate—especially in the case of beef, mutton and lamb and cheese.

Practically all the meat exported is abattoir-killed beef, and is exported by the large abattoir companies, but as shown in note 8 above, many firms in their returns

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did not distinguish between sales for export and for the home market, giving total sales only. Probably forty-five of the forty-seven million pounds of cheese "stored for others" was destined for export, being the property of wholesale dealers or other cold storage firms at the time stored.

Food becomes an article of commerce only in cases where it requires distribution before consumption. What proportion of the food raised in Canada is consumed by the producer it is impossible to calculate. It is estimated that one half of the total meat products of Canada is consumed either on the farm or locally in the villages and small towns, wherein the local butcher kills the cattle, supplies the village or town and sells from his cart as he passes through the surrounding country districts once or twice a week. With this comparatively simple system of distributing the abattoir and cold storage company has nothing to do. They supply to a limited extent the large towns, but particularly the larger urban centres, and the export market. Some of the largest meat companies have reached out to exploit the market in the smaller cities and towns through their retail stores, but the actual proportion of produce thus sold, compared with that sold by local dealers, is small. This does not apply however to bacon and ham. These are secured almost exclusively from the abattoir companies. The proportion of butter, cheese and eggs secured from the storage companies by the grocers in towns and small cities is small. Butter and cheese is supplied from the surrounding farming district or near-by creameries or cheese factories and eggs by the local produce dealer, who has either candled them or preserved them in some other manner. Many of such dealers have chilling rooms. The recent improvements in refrigeration enable the prosperous grocer to have at a comparatively small expense sufficient refrigerated space to enable him to purchase butter, cheese, and eggs in the early autumn to supply his winter trade. Few grocers thus preserve sufficient quantities for their whole winter's trade, but supplies for a few months at least are so kept by many.

The grocers and butchers of the larger cities depend greatly upon the cold storage companies (including abattoir companies) for their supplies of butter, eggs, cheese and meats. This means that the task of feeding the larger industrial and commercial centres of Canada is to a pronounced extent being assumed by the cold storage companies; just to what extent, the figures so far available do not show. In the course of the investigation concerning which this is a report, as part of it, and as a check upon the information supplied by the various cold storage companies, grocers' invoices were secured from all the larger grocers in the largest cities of the Dominion. It was discovered from these that practically all the bacon and ham sold by these grocers, a large proportion of the cheese, about one half of the butter and, during the period of the year from October to April a large proportion of the eggs, were purchased directly from the cold storage companies. The other sources of supply for the grocers are for butter the creameries; for cheese the wholesale dealers and in a few cases cheese factories; for eggs sometimes the wholesale dealers and sometimes farmers. Strictly fresh eggs are necessarily purchased directly from farmers, but in one instance a very high-class grocer in Toronto purchased "fresh laid eggs" from a cold storage company. These companies have of late undertaken to supply to dealers the most expensive lines of meat, butter, cheese and eggs, and this branch of their business is rapidly increasing. The manufacture of and trade in fancy cheeses by certain of such companies is now well established.

It is interesting to observe from the grocers' invoices the territory which is supplied by the different cold storage companies. Vancouver is supplied by the cold storage companies operating in the west and by wholesale merchants, except for the importation from eastern Canada of the special lines of cheese. This is also true of Regina and Calgary. Winnipeg, however, is supplied both by the western companies and by the largest companies of Ontario. The Toronto grocers are supplied largely

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from local cold storage firms in Toronto and with butter, cheese and eggs by produce merchants in the smaller towns surrounding Toronto. A rather small proportion of eggs is received from Chicago. The larger Montreal grocers are supplied by the cold storage firms as far east as Hamilton and by produce dealers in the surrounding district.

The popular conception of cold storage establishments as immense warehouses where food is purchased in the spring and summer and hoarded up until that period in the winter when the greatest scarcity prevails, then freed is, so far as Canadian conditions are concerned, absolutely wrong. No such static state prevails. Even in the months of greatest scarcity of any particular commodity, the purchasing of such by the cold storage firms is not suspended nor in the months of greatest production is the selling of it suspended. Eggs are the most seasonal in character of all cold storage commodities. Hence the extreme variation by seasons in their price. Following is a record of the purchases and sales of eggs by one of the larger cold storage companies, situated at Vancouver, as made month by month during 1916. The quantities are given in round numbers (the exact numbers have been furnished) but the cost and sale prices are actual and exact. The example has been fairly selected and the test has been applied to eggs because if the popular conception were correct its correctness would be most likely to be disclosed by an analysis of egg purchases and sales. The test fails as respects eggs and more markedly as respects the other commodities.

	Egg Purchases, 1916.	Egg Sales.
January.	2,000 doz. at 50c. a doz....	17,500 at 34c.
February.	16,000 doz. at 33c. a doz....	18,500 at 37c.
March..	13,000 doz. at 27c. a doz....	13,000 at 27c.
April	26,000 doz. at 16c. a doz....	11,000 at 38c.
May.	180,000 doz. at 27c. a doz....	34,000 at 34c.
June.	26,000 doz. at 26c. a doz....	37,000 at 29c.
July	36,000 doz. at 33c. a doz..	26,000 at 34c.
August	11,000 doz. at 37c. a doz...	34,000 at 33c.
September..	14,000 doz. at 40c. a doz..	52,000 at 33c.
October	3,000 doz. at 45c. a doz....	24,000 at 39c.
November	154,000 doz. at 49c. a doz....	33,000 at 45c.

Average Cost Price per dozen during 11 months 30.9 cents.
Average Selling Price per dozen same period 35 cents.

The above figures show that the dealing in even the most seasonal commodities is not limited to certain months only. The fluctuations here between the quantities purchased and sold each month are very considerable. The fluctuation in purchases and sales of meats is very much smaller, that for beef being not more than 25 per cent above or below the average quantity purchased monthly per annum. The same is true of mutton and lamb. With regard to pork and particularly bacon, since the war time expansion of our export trade the period of sales is very largely influenced by the facilities of transportation.

It is possible now to see the real character of the work of the cold storage companies and their place in the economics of foods. As the primary collectors and distributors of the food of the country subject to commerce, that is not consumed on the farm or distributed locally by the butchers and grocers of the small towns, they compete with the produce dealer in the home market; they practically monopolize the export market; they purchase meat directly from the producer; manufacture the by-products put the meat through the necessary processes and control the sale of it. Eggs they buy directly from the producer or through local produce dealers. The butter is bought to some extent in this manner, and largely from the creameries,

cheese is of course purchased from the cheese factories. From the fact that their dealings are on such a huge scale, it is to be expected that the margin imposed on the food passing through hands will be small compared to that of the total margin between the price paid to the producer and the price paid by the consumer. The total profit may be and frequently is very large, and in particular cases individual companies have taxed the food passing through their hands as highly as the grocer or small dealer, but the general trend of the cold storage business is toward a normal margin, frequent and flagrant as may be the exceptions to this rule. The truth of this statement is borne out by examination of the grocers' invoices, buying and selling. Some extracts from representative and reputable grocers' invoices are now submitted.

Record No. 2 that of a grocer in Toronto.

Midse. Purchased from Mills, Cold Storage, and Jobbers, during the month of April, 1917

Commodities.	Cost Price.	Selling Price.
Eggs, Storage..	36	40
Butter, Local Creamery..	48-52	57-60
Butter, Creamery..	41½	45
Butter, Special Creamery..	46	50
Cheese..	28¾	35
Bacon, Cold Storage Co..	30½	40
Bacon, Cold Storage Co..	36½	45
Bacon, Cold Storage Co..	40	45
Flour..	10.80-13.00	11.40-12.60
Bread, 18 oz..	8	10
Eggs, Purchased from Private persons (not farmers)..	30-40 advance of 5% per doz.	

Mdse., Purchased from Mills, Cold Storage, and Jobbers, during the month of December, 1916.

Commodities	Cost Price	Selling Price.
Eggs, Storage..	35	40
Eggs, Fresh..	52-60	55-70
Butter, Local Creamery..	48-52	55-60
Butter, Local Creamery..	4	45
Butter, Dairy..	33	35
Cheese (October purchase)..	22½	30
Bacon, Cold Storage Co..	26	35
Bacon, Cold Storage Co..	31	40
Bacon, Cold Storage Co..	33	40
Flour..	10.20-9.80	10.00 per sack 250.
Bread..	8	10
Eggs, Purchased from private persons (not farmers)	65c. to 70c. advance of 5c. per doz.	

December, 1916.

Commodities.	Invoice Price from Cold Storage	Price Charged to Consumer.
Butter..	45-49	50-55
Eggs..	65	90-90
Cheese..	25	30
Bacon..	27-28	34-37

April, 1917.

Commodities.	Invoice Price from Cold Storage	Price Charged to Consumer.
Butter..	45	55
Eggs (All April purchases made from firms and so'd at)..		40-45 doz.
Cheese..	27	32
Bacon..	33	38-42

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Invoices from the large grocers in Montreal show practically the same spread in price. The table of margins for cold storage houses is given a few pages further on from which it will be seen that the margin of the grocer very considerably exceeds that of the cold storage houses.

It is natural that the average wholesale prices for Canada of the different commodities is higher than the average selling prices of the cold storage companies in Canada, as these prices represent both those of the cold storage companies and the wholesale dealers, to whose prices another margin after that of the cold storage house has frequently been added. The average price received by the cold storage companies for butter in 1916 was 32.7 cents. The average wholesale price for Canada was 35 cents. Absolute comparison cannot be made of these figures because the average wholesale price for Canada is based on a specific class of butter, but the general comparison holds good. For instance, the average price which the investigation showed as received by the cold storage companies for cheese was 18.9 cents. The average wholesale prices for 1916, as worked out from the prices ruling daily throughout the year by the proper officers of the Labour Department, were as follows: Butter, creamery, Montreal, 35 cents; cheese, western, coloured, Montreal, 19.8 cents; eggs, fresh, Montreal, 39.5 cents; beef, hind quarters, 14.6 cents; pork, 14.7 cents; salt pork, 16.8 cents; mutton, 14.6 cents; ham, 21.2 cents; bacon, 23.7 cents. The wide difference between the wholesale and the cold storage prices of eggs is due to the fact that the average wholesale price is calculated from the price of fresh eggs during each month throughout the year. The average price of mutton is lower than that showed by the cold storage companies because lamb is included with the mutton in their reports. The foregoing figures cannot form the basis of an absolute comparison because the price of specified lines is recorded in the average wholesale prices, and the price of all qualities of each commodity is shown in the average prices worked out from the cold storage reports. Comparison can be made, however, in a general way. It is in the profit per pound or per dozen that the public is chiefly interested. That margin, if reasonable, will be cheerfully paid; if unreasonable its exaction, aside from all question as to the morality of food profiteering in time of war, is by the law pronounced criminal. A reasonable margin is as due the cold storage operator as it is due the farmer, the wholesaler or the retailer. It is the price which Canada pays for the preservation of her food supplies (*a*) for distribution from her large centres of production to her population in general and her urban population in particular, and (*b*) for export, so that she may compete with her excess supply, as a food purveyor, with other countries. It is the reward which Canada allows to those who perform for her the service of so conserving her food supply as to enable the use of the whole and the return of a fair yield in money therefor. Within it is included the price paid by the farmer for storing his excess production until the time of greater scarcity. He pays so that the fruits of his labour may be rendered an article of commerce and become a reliable source of revenue. The consumer pays to stimulate production so that he may be able to procure sufficient of the particular commodity at all seasons, at a nearly as possible stableized prices, and so that gluts and famines may alike be avoided. Have the margins exacted by the cold storage operators been unreasonable? There are two ways of discovering this: First, by applying the test of the averages of other years, second, by specific and expert examination of the records of actual operations. Both methods have been pursued, but it must be admitted that although much has been done the latter method has not been followed out as yet to the full extent desirable. The work is still proceeding. A table of margins with the average prices and the proportion of the total quantities sold by cold storage companies as shown for the years 1913 to 1916 is here appended and for home consumption.

TABLE II.

	Average cost per pound or doz.	Average Selling Price per pound or doz.	Percentage of total Amount sold as shown for export.	Percentage of total Amount sold as shown for Home Consump- tion.	Margin on Total.	Margin on Export.	Margin on Home Consump- tion.
			%				
Butter—							
1913.....	25.38	27.12	less 1	90	1.74		
1914.....	25.0	27.0	" 1	80	2.00		
1915.....	27.37	29.95	5	80	2.58	1.47	2.44
1916.....	30.83	32.73	12	70	1.9	0.57	2.39
Cheese—							
1913.....	12.78	13.21	85	12	0.43	0.24	1.61
1914.....	12.78	13.93	81	15	1.15	0.83	2.57
1915.....	14.46	14.89	81	14	0.39	0.08	1.73
1916.....	18.11	18.89	77	20	0.78	0.39	2.53
Eggs—							
1913.....	22.58	24.93	less 1	63	2.35		
1914.....	23.96	26.46	4½	70	2.5	4.64	2.36
1915.....	22.31	25.98	18	60	3.67	5.73	3.19
1916.....	26.05	30.36	23	60	4.31	7.55	3.79
Beef—							
1913.....	8.96	10.02	2½	85	1.06	less 2.25	
1914.....	10.68	11.62	5	90	0.94	" 0.29	
1915.....	9.68	10.23	6	60	0.55	" 0.48	
1916.....	10.75	11.45	8	60	0.70	" 0.78	
Pork—							
1913.....	12.5	14.47	2	80	1.97	0.14	2.12
1914.....	12.09	13.45	20	70	1.36	0.83	1.58
1915.....	12.22	13.65	20	70	1.43	1.14	1.51
F.P. 1916.....	14.84	15.67					
P. & S. P. 1916.....	15.43	16.85	26	60	1.85	2.37	2.13
Bacon—							
1913.....	14.75	17.08	34	55	2.33	less 0.36	3.15
1914.....	13.56	16.04	60	30	2.48	2.17	2.34
1915.....	14.10	16.57	87	12	2.47	2.69	1.46
1916.....	15.76	20.34	90	8	4.58	4.49	3.97
Ham—							
1913.....	14.43	19.29	less 1	84	4.86		
1914.....	14.84	17.85	12	80	3.01	0.85	2.9
1915.....	14.42	17.37	25	70	2.95	1.6	2.62
1916.....	19.20	21.32	15	70	2.12	less 2.39	3.72
Mutton & lamb							
1913.....	11.97	13.35	less 1	95	1.38		
1914.....	13.08	14.29	" 1	95	1.21		
1915.....	14.48	15.42	" 1	80	0.94		
1916.....	16.80	17.41	" 1	90	0.61		

It is desirable that the precise meaning attached to the word "margin" in this report should be very carefully noted. It represents gross, not net, profit on the commodity from the time it is laid down, all costs and expenses paid, in the storage warehouse. The questionnaires sent out to the various companies to secure specific information on margins demanded sworn testimony as to (a) the quantity of each commodity purchased during the year; (b) the cost of such laid down in warehouses including freight and unloading charges; and (c) the total quantity sold during the year and the total amount for which sold. The average cost prices and average selling

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prices were computed. The difference between these is the margin referred to. The margin represents, therefore, the cost of storing, losses, interest on investment, over-land charges, any other expenses incurred by the cold storage company from the time the commodity enters the warehouse until it reaches the persons to whom they sell and the cold storage company's profit. It is the total charge imposed on the food from the time it enters the cold storage house until it passes into the hands of grocers or wholesale dealers. It will be observed that the margin on butter since 1913 has increased two cents per pound, on cheese 0.35 cents per pound, on eggs 0.96 cents per dozen. On beef it has decreased 0.12 cents, on bacon it has increased 2.25 cents, on ham it has decreased 0.76 ceets. The export of butter has iteased during the same period from less than 1 per cent of the total cold storage sales to 12 per cent. Although the proportion of cheese exported as compared with the total quantity sold by cold storage companies somewhat decreased, yet the total amount of cheese exported from Canada according to the Trade and Commerce returns during the 1913-1916 period increased from approximately 155,000,000 pounds to 169,000,000 pounds. This has, of course, directly affected the price of cheese to the cold storage companies. The export of eggs by cold storage companies has increased during the same period from less than 1 per cent to 23 per cent. The export of bacon has increased from 24 per cent to 91 per cent. The commodities which have been exported in the greatest quantities show the greatest increase in prices and in margin. It has been already claimed herein that the export demand has been responsible for most of the advances in domestic prices.

It becomes necessary now to introduce another table of average costs and selling prices.

TABLE III.

	Average Cost Prices per lb. or doz. of Commodities.				Average Selling Prices per lb. or doz. of Commodities.			
	1913	1914	1915	1916	1913	1914	1915	1916
Butter.....	25.38	25.0	27.37	30.83	27.12	27.0	29.95	32.73
Cheese.....	12.78	12.78	14.46	18.11	13.21	13.93	14.85	18.89
Eggs.....	22.58	23.96	22.31	26.05	24.93	26.46	25.98	30.36
Beef.....	8.96	10.68	9.68	10.75	10.02	11.62	10.23	11.45
Pork.....	12.5	12.09	12.22	14.84	14.47	13.45	13.65	15.67
Pork and Salt Pork				15.0				16.85
Bacon.....	14.75	13.56	14.1	15.76	17.08	16.04	16.57	20.34
Ham.....	14.43	14.84	14.42	19.20	19.29	17.85	17.57	21.32
Mutton & Lamb...	11.97	13.08	14.48	16.8	13.35	14.29	15.42	17.41

	Average Selling Prices per lb. or doz. of Commodities for Home Consumption.				Average Selling Prices per lb. or doz. of Commodities for Home Consumption.			
	1913	1914	1915	1916	1913	1914	1915	1916
Butter.....			28.84	31.4			29.81	33.22
Cheese.....	13.02	13.61	14.54	18.5	14.39	15.35	16.19	20.64
Eggs.....		28.6	28.04	33.6		26.32	26.5	29.84
Beef.....	6.71	10.39	9.20	9.97				
Pork.....	12.64	12.92	13.36	16.82	14.62	13.67	13.73	15.74
Pork & Salt Pork				17.37				17.13
Bacon...	14.39	15.73	16.79	20.25	17.9	15.9	15.56	9.73
Ham...		15.69	16.02	16.81		17.74	17.04	22.92
Mutton & Lamb...	13.83	12.31		16.81				

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Table No. 3, immediately preceding, has been added to show the average price paid by the cold storage companies for each commodity for each year from 1913 to 1916 and their average selling price of such commodity. But incidentally, the cost price for each of the different years as supplied by such companies is the best record available of the prices paid to farmers for their produce. It will be observed by comparison of Tables 2 and 3 that the margin which the cold storage companies put on food products varies on butter from 1.74 cents per pound to 2.58 cents per pound in 1915, and 1.9 cents per pound in 1916; on cheese from .43 cents per pound in 1913 to 1.15 cents per pound in 1914, and .78 cents per pound in 1916; on eggs from 2.35 cents per dozen in 1913, on a steady rise, to 4.31 cents per dozen in 1916; that the margin on beef shows a decline from 1.06 cents per pound in 1913 to .7 cents per pound in 1916; on pork from 1.9 cents per pound to .36 cents per pound in 1914 and to 1.85 cents per pound in 1916; on bacon a rise from 2.33 cents per pound in 1913 to 4.58 cents per pound in 1916; on ham a decline from 4.86 cents per pound in 1913 to 2.12 cents per pound in 1916; and on mutton and lamb a decline from 1.38 cents per pound in 1913 to .61 cents per pound in 1916. In spite of these fluctuations, which in eggs and bacon particularly are abnormal, it is the price paid to farmers which has shown the original and most important ascent. Because of the varying distances of the farmers from the markets which they supply, it is not possible to say with accuracy the charge on the produce from the time it leaves the farmer's hands until it reaches the cold storage warehouses. Throughout southern Ontario, however, and as far east as Montreal, the charges are as follows: The buyer for the cold storage companies is paid 1 cent per dozen for buying eggs, $\frac{1}{4}$ cent per pound for cheese, and $\frac{1}{2}$ cent per pound for butter. The freight on eggs is 25 cents to 30 cents per case of 30 dozen; on cheese it is $\frac{1}{4}$ cent to $\frac{3}{4}$ cent per pound, and it is $\frac{1}{4}$ cent to $\frac{3}{4}$ cent per pound on butter. But subtracting these items from the cost price shown by the cold storage companies we arrive at the price paid the farmers. It would, however, be misleading to use this as a basis of calculating the average price paid to farmers in Canada. Conditions vary with the localities. But as these charges are fixed, and have not appreciably increased since the war, the increase in the price received by the farmer from the cold storage buyer can be calculated. The following is a table comparing the increase in the cost and the increase in the selling prices since 1913:—

INCREASE OF MARGINS OF FARMERS AND COLD STORAGE COMPANIES.

Commodities.	Cost per lb., 1913, to companies.	Increase in cost per lb., 1913, to 1916 to companies.	Selling price per lb.	Increase in selling price per lb., 1913 to 1916.	Difference in profit to companies 1913 and 1916.
	Cents.	Cents.	Cents.	Cents.	Cents.
Butter.....	25.38	5.47	27.12	5.61	0.14 plus
Cheese.....	12.78	5.33	13.21	5.68	0.35 plus
Eggs.....	22.58	3.47	24.93	5.43	1.96 plus ¹
Beef.....	8.96	1.79	10.02	1.43	0.36 minus
Pork.....	12.5	2.34	14.47	2.38	0.04 plus
Bacon.....	14.75	1.01	17.08	2.25	1.25 plus ²
Ham.....	14.43	4.77	19.29	2.03	2.40 minus ²
Mutton and Lamb.....	11.97	4.83	13.35	4.06	0.77 minus

NOTE 1.—In partial justification of cold storage companies generally it is necessary to state that the war time advance in average profits on eggs, shown in the preceding table, has been greatly influenced by excessive profits derived by two particular companies, one a very large operator, the other a smaller. Particulars will appear later, herein. The average advance in the profits of cold storage companies between 1913 and 1916, exclusive of these two companies, is 1.2 cents per dozen. While some allowance must be made for the greater expense of doing business even this general advance in profits seems high.

NOTE 2.—The proportion of ham dealt in, as compared with bacon, is small. See Table I. Sales of ham by cold storage companies approximated 14,000,000 pounds in 1916 and sales of bacon 150,000,000 pounds. Since the war the energies of the various companies seems to have been directed to the increase of production of bacon, the figures show in 1913 an average margin

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The decrease in the margin on ham is not very significant as affecting the total profits of cold storage companies, as only about fourteen million pounds of ham out of an approximate total of four hundred and sixty million pounds of meat were sold by cold storage companies in 1916, and comparison with the records of previous years shows that the quantity sold from cold storage has very slightly increased. The same statement applies to mutton and lamb. Table I shows that about twelve and a half million pounds of mutton and lamb were sold in 1916, and Table V shows that the proportion of mutton and lamb sold in 1916 as compared with 1913 has actually decreased. The margin on beef has decreased, while the output since 1913 has increased. This decreased margin is, however, offset by the soaring prices which the by-products have been bringing. But the public has derived the benefit from this; the price of beef has increased less than that of any other meat since the beginning of the war. In the result, therefore, the only wide divergence shown between the increased revenues derived by producers and cold storage companies respectively applies to eggs and bacon. The disproportionate increase received by the cold storage companies as respects these commodities would be justified if storage costs had correspondingly increased but the figures submitted by the various companies for the last four years do not evidence a sufficient rise in storage costs to bridge this gap, so the cause must be looked for elsewhere, and found. The rise in the price of bacon in 1916 was clearly a result of a practical monopoly brought about by a huge and unprecedented export trade demand.

(seemingly excessive) of between four and five cents per pound derived by the various companies from ham. In 1916 the average margin in that commodity dropped to a more reasonable figure and a higher, and in my judgment, unjustifiable profit is being derived from bacon, the sales of which, by cold storage companies have, since 1913, increased more than twelve fold. This tremendous increase of turnover ought to have resulted, notwithstanding increased costs of doing business, in a reduction of gross profit instead of an increase, and I venture to predict that the expert examination of the books of the companies whose names I shall supply for the purpose will so establish.

TABLE IV.—Analysis of business done by the ten largest Cold Storage Companies in Canada, Jan. 1-Dec. 1, 1916.

	Butter.				Eggs.				Cheese.			
	Lbs.	\$	Average.	Margin.	Lbs.	\$	Average.	Margin.	Lbs.	\$	Average.	Margin.
I. Bought.....	3,276,126	969,794	29.60	3.18	1,514,340	435,301	28.74	1.82	757,232	148,011	19.54	
Sold.....	2,930,864	960,831	32.78		1,383,531	422,837	30.56		654,954	140,955	21.52	1.98
II. Bought.....	5,162,576	1,537,564	29.78		5,989,121	1,619,852	27.04		1,819,458	300,374	16.50	
Sold.....	5,024,287	1,650,102	32.84	3.06	5,896,209	1,799,427	30.51	3.47	1,767,056	337,515	19.10	2.6
III. Bought.....	482,705	145,391	30.12		297,032	77,150	25.97		74,394	14,255	19.16	
Sold.....	449,670	149,979	33.35	3.23	244,952	76,794	31.35	5.38	76,923	16,048	20.86	1.7
IV. Bought.....	4,175,090	1,290,482	30.90		2,801,035	715,940	25.55		3,925,154	769,539	19.60	
Sold.....	3,899,631	1,241,053	31.82	0.92	2,606,199	766,205	29.4	3.85	3,788,569	756,390	19.96	0.36
V. Bought.....	2,622,427	797,608	30.41		1,908,207	500,381	26.22		517,710	90,608	17.50	
Sold.....	2,610,625	838,354	32.11	1.7	1,707,115	510,103	29.88	3.66	498,461	94,219	18.90	1.40
VII. Bought.....	397,048	129,001	34.75		182,490	51,438	28.18		226,165	39,896	17.64	
Sold.....	283,842	98,380	34.66	0.09 less	77,430	23,161	29.92	1.74	37,881	5,902	15.58	2.06 less
VIII. Bought.....	1,585,192	517,214	32.62						16,691,365	2,987,296	17.89	
Sold.....	1,605,240	529,671	32.99	0.37					15,056,075	3,078,572	20.44	2.55
IX. Bought.....	6,083,508	1,890,380	31.07		6,413,673	1,613,438	25.15		2,632,618	461,455	17.52	
Sold.....	5,547,768	1,748,616	31.51	0.44	5,566,505	1,801,948	32.42	7.27	2,489,351	464,890	18.67	1.15
X. Bought.....	5,037,366	1,656,708	32.88						37,704,501	6,838,656	18.13	
Sold.....	4,541,071	1,536,746	33.84	0.96					35,669,173	6,565,617	18.41	0.28
XI. Bought.....	1,349,983	442,225	32.75		1,622,200	429,144	26.46		581,074	123,319	21.22	
Sold.....	1,285,712	454,959	35.38	2.63	1,549,889	463,509	29.90	3.41	700,495	133,450	19.05	2.17
Abattoirs—												
Bought.....	22,860,298	6,951,038	30.40		19,105,898	5,013,500	26.24		9,953,731	1,831,128	18.4	
Sold.....	21,576,359	6,945,029	32.19	1.79	17,481,941	5,403,475	30.91	4.67	9,253,098	1,816,318	19.54	1.14
Export Houses—												
Bought.....	8,027,208	2,945,029	32.79		1,622,200	429,144	26.45		54,976,930	9,939,271	18.08	
Sold.....	7,486,660	2,538,234	33.90	1.11	1,519,889	463,510	29.91	3.46	51,425,743	9,778,639	19.01	0.93
Total of Above—												
Bought.....	30,887,506	9,583,197	31.02		20,728,098	5,442,644	26.25		64,593,661	11,770,409	18.22	
Sold.....	29,063,027	9,482,263	32.62	1.6	19,031,830	5,866,985	30.82	4.57	60,718,841	11,594,967	19.09	0.87
Total for all Cold Storage Plants of Canada—												
Bought.....	46,561,063	14,358,160	30.83		28,122,683	7,326,214	26.05		76,806,324	13,908,000	18.11	
Sold.....	43,867,720	14,359,430	32.73	1.9	26,410,199	8,018,002	30.36	4.31	72,638,890	13,713,058	18.89	0.78

TABLE IV. — *Continued.*

	Beef.				Fresh Pork.				Salt Pork.			
	Lbs.	\$	Average.	Margin.	Lbs.	\$	Average.	Margin.	Lbs.	\$	Average.	Margin.
I. Bought	31,945,941	3,283,298	10.26		130,600	20,139	15.42		18,953,957	2,893,569	15.10	
Sold	29,592,449	3,549,762	11.99	1.73	136,092	22,617	16.61	1.19	18,903,781	2,092,646	15.83	0.75
II. Bought	14,521,107	1,447,374	9.96						24,285,554	3,594,973	14.39	
Sold	12,480,073	1,466,525	11.75	1.79					18,659,918	3,320,386	16.24	4.85
III. Bought	1,711,848	188,324	11.00		1,541,781	2,205,952	13.35					
Sold	1,631,486	194,031	11.89	0.89	1,573,518	241,508	15.34	1.99				
IV. Bought	57,573,031	5,654,515	9.82		38,688,900	5,572,178	14.40		15,300,416	2,725,213	17.81	
Sold	53,410,434	5,582,336	10.45	0.63	26,187,800	4,373,030	16.69	2.29	15,863,863	2,840,136	17.90	0.09
V. Bought	7,251,850	753,832	10.39		8,324,051	1,236,495	14.73					
Sold	7,040,632	841,049	11.94	1.55	8,109,795	1,295,207	15.97	1.24				
VII. Bought	4,337,176	492,555	11.36		17,783,909	2,728,485	15.34					
Sold	3,887,541	433,383	11.15	0.21	11,149,896	1,840,714	16.50	1.16				
				N. loss								
VIII. Bought												
Sold												
IX. Bought	22,232,988	2,373,421	10.67		8,602,511	1,295,069	15.05					
Sold	16,514,231	1,923,124	11.64	0.97	3,732,606	607,247	16.27	1.22				
X. Bought												
Sold												
XI. Bought												
Sold												
Abattoirs												
Bought	139,623,941	14,193,319	10.17		74,990,563	11,060,463	14.74		59,239,907	9,183,755	15.40	
Sold	124,558,843	13,999,231	11.24	1.07	50,890,436	8,380,460	16.46	1.72	53,427,562	9,362,971	17.52	2.02
Export Houses—												
Bought												
Sold	574,829	71,489	12.44									
Total of Above												
Bought	139,623,941	14,193,319	10.17		74,990,563	11,060,463	14.74		59,239,907	9,183,755	15.40	
Sold	124,558,843	13,999,231	11.24	1.07	50,890,436	8,380,460	16.46	1.72	53,427,562	9,362,971	17.52	2.02
Total for all Cold Storage Plants in Canada—												
Bought	189,952,154	20,425,417	10.75		113,125,331	16,789,800	14.81		15,723,503	7,009,367	15.43	
Sold	170,472,195	19,522,000	11.45	0.7	69,629,564	10,909,161	15.67	0.81	54,056,692	9,927,020	18.36	2.93

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Abattoirs.	Lb.	\$	Average.	Margin.
Fresh and smoked pork.....	134,230,470 104,317,998	20,244,218 17,743,431	15.07 17.01	1.94
Total Canada.....	158,848,834 123,686,256	23,799,167 20,836,181	15.00 16.85	1.85

TABLE IV.

Analysis of the Business Done by the Ten Largest Cold Storage Companies in Canada, January 1-December 1, 1916.

	Bacon.				Ham.				Mutton and Lamb.			
	Lb.	\$	Average.	Margin.	Lb.	\$	Average.	Margin.	Lb.	\$	Average.	Margin.
I. Bought.....	95,950	23,888	24.89	1.26	94,550	21,968	23.83	1.06	2,944,992	543,895	18.46	
Sold.....	100,940	26,402	26.15		96,628	23,477	24.29		2,647,721	510,769	19.46	1.17
II. Bought.....									866,281	127,543	14.73	
Sold.....									964,228	148,444	15.39	0.66
III. Bought.....	414,056	73,695	17.79		1,267,104	206,071	16.26		169,243	29,135	17.27	
Sold.....	402,447	85,287	21.19	3.4	1,079,883	200,329	18.56	2.3	107,509	20,024	18.62	1.35
IV. Bought.....									4,585,989	699,791	15.26	
Sold.....									4,022,994	665,464	16.29	1.03
V. Bought.....	49,235,557	7,128,476	14.47		2,845,017	383,816	13.48		344,781	52,384	15.29	
Sold.....	42,468,183	7,665,571	18.03	3.65	2,657,458	534,062	20.09	6.61	424,877	71,861	16.91	1.62
VII. Bought.....	1,554,020	302,607	19.47	1.6					183,492	29,975	16.33	
Sold.....	1,387,023	292,239							176,083	28,094	15.95	0.38
VIII. Bought.....												
Sold.....												
IX. Bought.....	65,307,154	10,681,590	16.35		1,319,966	196,718	14.90		2,887,607	468,727	16.23	
Sold.....	97,791,019	20,929,442	21.40	5.05	938,807	185,994	19.81	4.91	2,443,729	401,899	16.56	0.33
X. Bought.....												
Sold.....												
XI. Bought.....	5,554,128	1,005,523	18.10		1,515,761	322,994	21.30					
Sold.....	5,428,620	1,057,206	19.47	1.37	1,606,435	374,860	23.33	2.03				
Abattoirs—												
Bought.....	116,406,737	18,201,256	15.65		5,526,737	908,573	16.43		11,982,385	1,951,450	16.29	
Sold.....	142,150,607	28,899,041	20.32	4.69	4,772,776	953,862	19.98	3.55	10,787,141	1,839,515	17.06	0.77
Export Houses—												
Bought.....	5,554,128	1,005,523	18.10		1,515,761	322,994	21.31					
Sold.....	5,428,620	1,057,206	19.47	1.37	1,606,435	374,860	23.33	2.02				
Total of Above—												
Bought.....	121,962,865	19,215,779	15.75		7,042,498	1,231,567	17.61		11,982,385	1,951,450	16.29	
Sold.....	147,579,227	29,956,247	20.29	4.54	6,379,211	1,328,722	20.82	3.31	10,787,141	1,839,515	17.06	0.77
Total for all Cold Storage Plants of Canada—												
Bought.....	125,605,312	19,795,040	15.76		14,383,485	2,761,676	19.20		13,609,605	2,286,939	16.8	
Sold.....	151,309,429	30,787,823	20.34	4.58	14,390,367	3,067,809	21.32	2.12	12,666,380	2,205,229	17.41	0.61

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Table IV, now appended, is an analysis of the operations of the largest cold storage companies. The contents of this table will be more critically examined at a later stage, but a glance at it now will partially clarify the point being considered.

The policy has been pursued throughout the series of reports of which this is one of avoiding publication of names. When necessary the names can be had from the departmental files. It has not been considered desirable that competitors should be apprised of their respective items of costs and prices. Therefore, the table now provided will use numbers to indicate the different companies. The same numbers will be applied throughout to the same companies.

It appears that 5,565,505 dozen eggs were sold by Company No. IX at a margin of 7.27 cents per dozen. One branch of this company bought, in 1916, approximately four million dozen eggs at 24.8 cents per dozen (average cost of year's purchases) and sold three and a half million dozen at 34.7 cents per dozen (average selling price for the year). This company is located in central Ontario. That section of the country seemed to be fortunate or unfortunate according to one's viewpoint, for nearby cold storage company (no zone company this, but a small independent entrepreneur) bought in the same year approximately five hundred thousand dozen eggs at 24.4 cents and sold them at 36.3 cents. This proves that among the smaller cold storage companies, the spirit at least is willing where profits are concerned.

Other cold storage dealers made as much as 5 or 5.5 cents margin in eggs, but normally the margin was from 3 to 4 cents per dozen. By subtracting the two abnormal transactions above noted from the total 1916 egg transactions of the cold storage companies, it will be found that the average margin of the companies exclusive of these two is 3.6 cents instead of 4.3 cents.

In view of the enormous turnover, however, it would seem that this profit is still excessive.

The just character of a margin on any commodity is dependent upon (1) the expenses incurred in storing, handling and selling such commodity, (2) the demand for the commodity for export and for home consumption, and (3) the general condition of the market, so far as it affects replacement values. Storage handling and selling costs have risen somewhat but they are comparatively a fixed non-fluctuating charge. Because of the heavy demand for butter in 1915, and because the prices paid to farmers had not caught up with wholesale and export prices (the benefit of a rising market is generally late in reaching the farmers), the cold storage companies made a margin in 1915 of 2.58 cents on butter. In 1916 the cost to cold storage companies had risen to correspond to wholesale and export prices. Storage and other costs for cheese in 1914 were not appreciably advanced but the margin made by cold storage companies on cheese was 1.15 cents per pound, whereas in 1913 it was 0.43 cents. The wholesale price was rising much more rapidly than the corresponding price paid to the farmer. It is evident that the second and third elements in margins are those by which such speculative profits as are made are enabled.

The storage costs for different commodities vary widely because of different refrigeration temperatures required by different commodities and the amount of care in handling necessary. Eggs naturally incur the highest storing charges, as great care in refrigeration is required, and boxing and packing are necessary. Also as respects eggs, losses through breaking are high. The charges on pork and pork products are also high because of the varying processes to which they are subjected. On beef and mutton and lamb these charges are low as also on cheese.

No specific data is given upon the point of storage costs, because it is believed that a special investigation is required into the value of the by-products of meat, and that some compulsorily applicable cost accounting system of storage and other costs on specific commodities should be established. The present storage charges are such as are arbitrarily fixed by the different companies and levied against their commodities. The existing intricate system of storage charging can best be investigated at

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the same time, and possibly a legal scale of charges can thereafter be established. The project of providing such an expert examination is under way.

With regard to prices charged for commodities sold for home consumption, the figures shown in Tables II and III are illuminating in more than one sense. We have been paying more for most of our food for domestic consumption than the allies to whom we are exporting. This was not the result of patriotism, but something quite different. The allies at the same time were paying higher for eggs, pork and bacon. Because some companies were unable to supply data as to the quantity of food sold for export and for home consumption respectively, the average prices shown for home consumption and for export do not always tally with the average for the total quantity sold, but these averages are nevertheless reliable for comparison of export and home prices. The prices in the home market exceeded those in the export market in 1916, for butter, by 1.82 cents per pound; for cheese, by 2.14 cents per pound; for beef, by 1.24 cents per pound; for ham, by 6.11 cents per pound. For eggs, pork, and bacon the prices for home consumption were less than for export; eggs, by 3.76 cents per dozen; pork, by 1.08 cents per pound; and bacon, by 0.48 cents per pound.

The following consideration must be borne in mind as primarily affecting this relation between home and export prices; if the bulk of any one commodity is sold at home then it is with relation to the home market that the price is fixed, and, incidental to the price, the margin; if it is sold for export it is on the export market that the price is based. This is borne out by the figures shown in tables II and III. A comparatively small amount of beef is exported; that which is exported is shown to be sold at less than the average price for the year. One reason for this is that much of the frozen beef exported was purchased the previous year at a lower price. The excessive demand for bacon by the Allies has enhanced the price for fresh pork as well, the export of fresh and salted pork having almost doubled since 1913. The export price of eggs sold by cold storage companies has always been higher than that for home consumption, because a very much higher quality is required for export than the average quality of such. Butter and cheese for export incur much lower selling and distributing costs than do such commodities sold for home consumption. Whether this is sufficient to explain the difference in prices can only be proved by a special investigation of a character which the present purpose does not call for.

The proportion of the nation's food, both for its own use and for export passing through cold storage, has already been shown. It is proposed now to indicate a possible danger incident to an over-centralization of control, especially of meat products. The part which "Big Business" can play in this connection is analogous to that which the large railway companies played in the United States before the establishment of the Interstate Commerce Commission. An amalgamation of three or at most four of the largest dealers in a specific commodity could control more than half of the total quantity of that commodity, which passes through cold storage in Canada, except in the case of butter, which is subject to more varied competition. With regard to some commodities two companies only control more than half of the total quantity passing through cold storage, and a practical monopoly of one of the commodities by one company developed in 1916.

Table IV shows the details of the transactions of the ten largest companies, including seven of the large meat concerns, and of the three largest export houses. One of the largest abattoirs has been omitted from this table, because the records did not show the different kinds of meat separately; its relation to the meat situation will be shown later. (The abattoir houses whose records are here given, are with one exception zone companies whose operations have been already described. Of the export houses two are located in Montreal; the other although dealing particularly in dairy products has a zone organization.) The proportion of food products controlled by this limited number of firms is shown in Table IV. Of the 44 million pounds of

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butter sold through cold storage companies in 1916, 29 millions were held by those ten companies, five and a half million pounds being sold by one company alone and four and a half million by one other company. The great abattoir houses which control the marketing of Canadian meat, sell 22 out of this 44 millions. Their general margin on butter is higher than that of the export houses, but lower than the average margin of all cold storage companies in Canada. Of butter only is this true. Of the 26 million dozen eggs sold by all the cold storage companies of Canada in 1916 the seven large abattoir companies sold 17½ million dozen. The average margin of the ten companies is 4.57, of the seven abattoir companies alone 4.67, the general average of all cold storage companies of Canada being 0.36 cents a dozen lower than that of the seven largest companies, although it is largely these companies which contribute to this high margin. Three companies alone sold approximately 14 million dozen eggs in 1916 or 53 per cent of the total cold storage output. Attention has already been directed to the undue profit of 7.27 cents a dozen on 5,566,505 dozen eggs sold by Company No. IX. The cheese situation is unique, two companies alone sold over 50 million of the total 72 million pounds sold by all the cold storage companies of Canada in 1916. Forty-nine of this 50 million pounds went for export. Approximately 56 million pounds were sold by all the cold storage companies of Canada for export. These two companies therefore exercise a virtual monopoly of the cold storage export business in cheese. They are both of course Montreal firms. The larger firm shows a very moderate profit, much lower than the average for all cold storage companies of Canada. The smaller of these firms shows a lower cost price, the higher margin being due to the fact that a much larger proportion was sold for home consumption. In connection with this it is asserted by some of the larger cheese dealers that for a short time cheese factories and produce dealers attempted to carry their own export trade without the mediation of these two companies, but found that they received more satisfactory remuneration by dealing through these two companies. The average export selling price of the larger of the two companies for 1916 was 18.37, of the smaller 18.96. One other cheese company of the central part of southern Ontario sold 9,870,064 pounds of cheese in 1916. The bulk of this was for home consumption. Thus the total sales of three companies in cheese cover 70½ millions of the total 72½ million pounds of cheese sold by all the cold storage companies of Canada during last year.

The centralization of the control of beef in the hands of a few companies is even more marked than is the centralization of the control of cheese and eggs. Of the 170 million pounds of beef that passed through cold storage last year, 124 million pounds were controlled by the seven largest abattoirs, 99½ million pounds were sold by three companies only and 113 million pounds by four companies only. Over 60 million pounds of the total 189 millions passing through the hands of cold storage companies was sold by branches of American companies. These companies sold at a smaller margin than the Canadian companies, and almost their entire output was sold in Canada for home consumption. The margin of Company No. IV which is the largest single dealer in beef, has the greatest influence in lowering the general margin on beef, and is lower than the general margin for Canada. The aggregate margin of the large companies exceeds that of the general margin in beef, as in the other commodities where the control of such is in the hands of a very few companies.

Fresh pork and salt or smoked pork have been separated in the table. The concentration of this meat in the hands of a few companies is almost as striking as in the cases of the other commodities mentioned, the margin of the seven abattoirs for fresh pork being larger than the common average. The same holds true of the totals for fresh and smoked pork, the margin of the large abattoirs being 1.94 cents per pound, the common margin for cold storage being 1.85; this in spite of the fact that the large abattoir has a very real advantage over the smaller, because of the former's superior facilities for developing by-products.

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With regard to bacon we find one company selling 97 millions of the total 1916 cold storage sales of 151 million pounds at a margin of 5.05 cents per pound. The margin of the same company the previous year was 3.67 cents on 57½ million pounds. There is no evidence of correspondingly increased storage or other costs. Ninety-four million pounds at least of the sales of 1916 were for export. The margin of 3.67 was sufficient, satisfactory and profitable in 1915. Why not in 1916? Company No. V it will be observed sold 42½ million pounds of bacon. Its margin was 3.56 cents per pound. The margin of its competitors was small. They were, however, feeding the home market. Its need was not so great. This bacon situation is in a class by itself and will stand some explaining; the export price being away above the domestic. The records have been searched thoroughly for the four past years, but no comparative example can be found. Companies Nos. IV and IX indeed have been competitors. The bacon sales in 1915 were some 29 million pounds. These quantities in the case of both companies were almost entirely for export. Company No. V sold 29 million pounds at 14.4 cents per pound, a margin of 1.2 cents per pound, while company No. IX sold 57½ million pounds in the same year 1915, at 17.63 cents per pound at a margin of 3.67 cents per pound. The dealings of Company No. V afford the nearest comparative example to the dealings of Company No. IX in any commodity reported that can be cited, but the dealings of Company No. V bear all the marks of average trading. Table number II shows the common margin in 1915 as 2.47 cents. Company number V is much nearer the common margin in 1916 than company No. IX. It will be noted that it is very largely the figures of the latter company which make the common margin so high. Subtracting the transactions of Company No. IX from those of all the cold storage companies of Canada, the average cost of bacon for 1916 is 15.1 cent per pound and the average selling price for the same year is 18.4 cents per pound, leaving the average margin 3.3 cents per pound.

It will be observed that the sales of bacon of companies V and IX together cover 140,000,000 of the 151,000,000 pounds of bacon which were sold by all the cold storage companies of Canada during 1916. The total exports from all Canada according to the computations of the Trade and Commerce Department were for the same year 169,000,000 pounds. Possibly no more striking example of a monopoly of any one commodity can be cited from the trade records of any country supplying the Allies with food. These two companies are here mentioned together, but a distinction between their operations has already been clearly drawn with regard to their margins and the proportion of the quantity sold which was controlled by the respective companies. The cause which led to this unprecedented situation is not far to seek. The basis of a monopoly in this commodity existed before the war and the extraordinary conditions since have enabled its progressive development.

The following is a table showing the exports of the various commodities for the different years:—

EXPORT PRODUCE OF CANADA. FISCAL YEARS.

COMMODITY.	1913. Amount. Lbs.	1914. Amount. Lbs.	1915. Amount. Lbs.	1916. Amount. Lbs.
Butter..	828,323	1,228,763	2,724,913	3,441,183
Cheese	155,216,392	144,478,340	137,601,661	168,961,583
Eggs	147,419	124,002	3,592,899	7,898,322
Bacon	36,212,190	23,859,754	76,801,419	144,918,867
Beef	1,570,979	13,133,205	18,828,257	47,422,564
Ham.. . . . .	.....	.....	.....	8,732,857
Mutton	45,914	65,167	1,064,963	99,593
Pork..	521,533	1,811,204	21,288,226	1,990,856

As the table covers the fiscal years, the quantity of bacon shown as exported in the fiscal year, April 1, 1915, to March 31, 1916, is less than that shown in the period January 1, 1916, to December 1, 1916, covered by this report. The increase in exports

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of bacon is, however, strikingly evidenced by these figures. They show an increase from approximately 36,000,000 pounds in 1913 to 145,000,000 pounds in 1916. The increase extends to 170,000,000 pounds for the period January 1 to December 1, 1916, as shown by the figures procured upon the present investigation.

The quantity of bacon sold by company No. IX was approximately, in 1913, 85,000 pounds at a margin of 3.63 cents per pound; in 1914, 14,000,000 pounds at a margin of 3.6 cents per pound; in 1915 nearly 60,000,000 pounds at a margin of 3.67 cents per pound, and in 1916 nearly 100,000,000 pounds, at a margin of 5.05 cents per pound.

The operations of company No. V for the various years are as follows. In 1913 approximately 4,000,000 pounds of bacon were sold at a margin of 2.02 cents per pound. In 1914 more than 9,000,000 pounds were sold at a margin of 1.3 cents per pound. In 1915 nearly 30,000,000 pounds were sold at a margin of 1.2 cents per pound, and in 1916 more than 40,000,000 pounds at a margin of 3.5 cents per pound. More than 53,000,000 pounds were sold by Company No. IX for export in 1915 and more than 20,000,000 pounds by company No. V. About 5,000,000 pounds were sold by company No. V for export in 1914 and at least 12,000,000 pounds by company No. IX. It is obvious therefore that the basis of a monopoly of this commodity existed before the war. In 1914 these two companies exported more than half the total bacon exported by Canada. Their control of the bacon situation has been much strengthened since. In 1916 when the total exports for Canada had more than doubled, one of these companies exported 60 per cent and the other company nearly 20 per cent of the total export.

The relation between the export trade and the growth of these two companies is quite evident. It is also worthy of remark that the relative proportion of business handled by them remains about the same. Company No. IX sold approximately twice as much bacon as company No. V in each of the years 1914, 1915, 1916, but whereas the business of company No. V has increased since 1913 by approximately 38,000,000 pounds that of company No. IX has increased by approximately 96,000,000 pounds.

It has been stated that the export trade done by the cold storage companies of Canada is almost entirely controlled by the larger companies. The extent of such control over cheese and bacon has already been shown. The same tendency is evident in the export trade in the other commodities. Eighty-five per cent of the butter exported by all the cold storage companies of Canada was exported by four of the large companies, a partial analysis of whose business appears in table IV. This represents approximately one-half of the total exports as reported by the Trade and Commerce Department for that period. Nearly five million of the total six million dozen of eggs exported by all the cold storage companies were exported by four of the large companies. Eleven of the total fourteen million pounds of beef exported by all the cold storage companies was exported by four companies, and half of the latter quantity was sold by one firm alone. Practically all the ham sold for export was sold by two companies. The quantity of mutton and lamb which is shown as sold for export in table I by all the cold storage companies is very small.

Some competition is provided, however, by the smaller companies. In 1916 one abattoir company whose operations are not reported in Table IX sold over eight million pounds of beef and exported three million pounds. One of the smaller cold storage companies situated between London and Toronto, Ontario, sold half a million dozen eggs for export at a margin of 12 cents per dozen.

The fact that the food sold from cold storage for export is in the hands of a very few companies is sufficiently evident. This situation it may be possible to turn to use. In the event of necessity of national control of exports, export prices or export buying, the concentration of the major part of the trade in food-stuffs in the hands of a

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few companies will greatly facilitate such control. As to the advisability or otherwise of state action of this kind, it is a matter of policy and beyond the sphere of the present inquiry. It would come about, if at all, as a war measure, and in case of its being considered the course and fate of "big business," such as referred to, during the war should be studied and known. For this reason is appended a table showing the quantity of butter, eggs, beef, pork, bacon, ham, mutton and lamb sold in each of the years 1913-16 by the companies whose trade is analyzed in Table IV, except that a summary of the dealings of company No. VIII is omitted because its report is defective, for the present purpose, as respects one of the four years' business.

TABLE SHOWING THE GROWTH OF "BIG BUSINESS" IN FOOD 1913-1916.

	Butter.	Eggs.	Cheese.	Beef.	Pork.	Bacon.	Ham.	Mutton and Lamb.
1913.....	19,674,301	14,387,349	52,930,179	92,189,537	51,394,737	10,207,862	2,692,275	8,626,733
1914..	20,081,001	13,216,040	55,739,788	93,467,345	69,467,345	37,142,015	6,851,354	9,418,649
1915..	20,967,475	20,021,791	69,152,022	102,810,257	96,952,859	102,391,429	8,004,909	9,489,015
1916.....	28,779,185	18,972,476	60,680,960	60,680,960	93,168,100	146,192,201	6,379,211	10,611,058

It will be seen from this table that the business done by the large companies has greatly increased since 1913. The operations of the abattoir companies, as can be seen by reference to Table IV, are not limited to meats only, but are very extensive in butter and eggs. Almost half of the butter and eggs sold in 1916 were sold by the large abattoir companies. The butter and eggs are preserved on the same premises as the meats and distributed through the same channels both wholesale and retail.

In order to discover whether there existed any undue accumulation of food supplies, the cold storage companies were required to state the quantities of each commodity on hand on September 1 and December 1 of each of the last four years. This data applied to the total quantity purchased during the year, it was believed, would disclose the desired information. Except in the case of eggs and beef, the proportion of goods on hand on these specific dates of each year, as compared to the total quantity purchased during the year, has decreased. Such is the natural outcome of increased business—a more rapid turnover will decrease the proportion of stock held at any particular time to the total quantity purchased during a long period. The total quantity purchased rather than sold was taken as the standard of comparison, because if accumulation existed it would appear there. Appended is a table prepared from the reports of those companies whose reports are complete for the four years:—

TABLE V.—Report by Companies whose records are complete for last four years of quantities purchased yearly and quantities on hand on specific dates 1913, 1914, 1915, 1916.

	Quantity purchased in Pounds or Dozens.			
	1913.	1914.	1915.	1916.
Butter.....	29,762,610	28,653,959	29,931,976	33,007,317
Cheese.....	53,627,283	56,243,758	69,476,506	61,378,712
Eggs.....	18,353,385	15,951,734	22,278,380	21,218,972
Beef.....	94,732,210	89,811,810	92,419,388	99,295,202
Pork.....	48,020,640	63,005,428	55,385,261	51,576,804
Bacon.....	10,000,498	11,330,860	27,708,531	27,041,106
Ham.....	6,151,168	6,152,058	6,705,019	6,567,019
Mutton and lamb.....	8,258,810	8,666,235	9,230,804	8,236,345

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TABLE V.—*Continued.*

	Quantity on hand on the same date of each year 1913-1914-1915-1916.							
	Sept. 1, 1913 Dec. 1.		Sept. 1, 1914 Dec. 1.		Sept. 1, 1915 Dec. 1.		Sept. 1, 1916 Dec. 1	
Butter.....	5,461,811		4,654,242		5,994,842		6,153,031	
Cheese.....		4,442,352		3,054,353		5,412,994		3,957,017
Eggs.....	3,552,873		4,511,606		5,297,466		5,022,225	
Beef.....		14,644,243		8,570,837		10,161,195		20,085,588
Pork.....	9,972,115	7,551,373	11,199,769	9,665,281	11,461,289	4,418,635	14,799,163	8,371,331
Bacon.....		2,212,196		1,745,745		1,920,577		2,361,97
Ham.....	299,572		399,420		308,652		155,029	
Mutton and lamb.		1,951,252		1,542,226		1,314,962		1,656,909

The quantity of food purchased by these companies in 1916 covers about 90 per cent of all the food commodities except bacon purchased by the cold storage companies of Canada. The preceding table may be accepted as reliable evidence. The quantities of bacon dealt in by the two largest dealers in bacon have not been included as their dealings have been specially studied. The figures on bacon form a comparison here to the figures in the totals in Table I. Disturbing factors enter into a computation such as this which more or less invalidate a final judgment. One of the most important of these is *transportation* and the condition of transportation facilities. A company may have a hundred thousand pounds of cheese on hand December 1 which may be shipped the next day. The records of quantities on hand the first day of each month at present required by this Department, compared with such shown for the last year are much more reliable. The evidence of the table is, however, valuable. It shows for butter a decrease from 22 to 18 per cent in the proportion of goods on hand on a specific date to the total quantity purchased during the year; for cheese a decrease from 8 to 6 per cent; for eggs an increase from 19 to 23 per cent; on beef an increase from 15 to 22 per cent. The proportion of pork is practically the same throughout. The other commodities show a marked decrease.

The aggregate business of the large companies whose operations have been already analyzed, exclusive of those of Company No. VII whose records are not complete for the four years, has been greatly expanded in the period 1913-1916. The total business done by these nine companies has increased during the years mentioned by the following percentages; butter 46 per cent, eggs 32 per cent, cheese 14 per cent, beef 30 per cent, pork 80 per cent, ham 150 per cent, bacon 1,450 per cent. Sales of mutton and lamb have slightly decreased.

In view of the tendency towards monopoly, it is most important that the growth in the business of individual companies be carefully considered. All the companies whose operations are reported in Table IV have not profited equally by the general expansion of trade. The method adopted for calculating the increased trade of each company has been to compare the total receipts from the sales of all the commodities reported on in the years 1913 and 1916. A table showing the approximate increase of the year's receipts of the different companies, is given a page or two later on. It discloses a marked variation in the proportion in which the trade of the various companies has grown. The increase in that of Companies No. V and No. IX is disproportionate to the general increase. This is largely due to sales of pork and bacon. The volume of the business of Company No. IX is at the present time (July, 1917) about ten times that of 1913. Company I is one of the largest beef dealers in the West. Its total sales in beef in 1916 have nearly trebled since 1913. Those of Company No. IV, a Canadian branch of an American firm, are still nearly double that of its largest competitor but have increased only by approximately 20 per cent.

Company No. XII in 1916 sold approximately thirty million pounds of beef. In 1913 its sales were little more than one-third of this. The general margins for all the cold storage companies of Canada have decreased from 1.06 cents per pound in 1913 to .7 cents per pound in 1916. This illustrates the effect of active competition. The very reverse process has been exemplified in regard to bacon and the resulting higher margin. These are the two most striking examples shown in the records of the effect of competition in the one case and of practical monopoly in the other. Particulars are yet to appear herein of the business of the months of March and April, 1917. These will be supplied to illustrate the perseverance of the tendency towards centralization of export trade especially in a few hands, and also to evidence the character of the information which is now supplied to the undersigned, monthly, concerning food stocks, costs, and prices. The April returns disclose that Company No. IX on April 1, had on hand 7,500,000 pounds of bacon alone, that it purchased during April about 10,500,000 pounds more of the same commodity and sold during the same month about 7,500,000 pounds. The company's month's sales of bacon alone at 24 cents per pound would approximate \$1,800,000. This is certainly "big business",—just how big may be best appreciated by considering that a clear profit of one-quarter of one per cent per pound on such a monthly turnover for twelve months would yield \$225,000 for distribution among the fortunate shareholders of the company as their profits upon bacon alone. The business done by this same company in May, which month's figures are not yet sufficiently analyzed to enable their inclusion within this report, amounted to \$3,600,000, as respects the commodities included within this report. But the company deals in other commodities, such as hides, lard, and other by-products. It ought not to be surprising, therefore, if at the end of the year 1917 the gross business of this company would be found to have amounted to not less than \$60,000,000 for the year.

The table previously mentioned follows:—

COMPARISON of growth of different companies reported in Table IV: their total annual receipts from sales of commodities covered by this report. (Note a.)

COMPANY.	1913.	1914.	1915.	1916.
No. I	3,300,000	4,600,000	7,200,000	8,800,000
" II.. .. .	4,600,000	4,600,000	7,000,000	9,000,300
" III	570,000	550,000	600,000	980,000
" IV	12,630,000	14,000,000	14,000,000	16,215,000
" V	2,500,000	3,500,000	7,000,000	11,900,000
" VIII... ..	2,700,000	2,700,000	3,600,000	3,600,000
" IX	4,300,000	8,000,000	18,500,000	28,100,000
" X	5,300,000	5,600,000	6,700,000	8,100,000
" XI	900,000	1,100,000	1,300,000	2,500,000
" XII .. .. .	.....	.....	.....	6,400,064 ¹

¹ The operations of Company No. XII for which records for 1913 are not available is added here, because there exists at least a partial interlocking directorate between this Company and Company No. IX. Perhaps the association is closer. The inquiry has not yet been fully followed out.

NOTE a.—The specified receipts are exclusive of those from by-products such as hides, lard, etc.

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TABLE VI.—FISH.

	Total amount bought.			Total amount sold.		
	Pounds.	Dollars.	Average cost per pound.	Pounds	Dollars.	Average selling Price per pound.
Unclassified.....	20,581,049	813,536	3.95	20,238,457	1,107,853	5.47
Halibut.....	6,635,330	544,951	8.21	7,362,831	653,091	8.87
Salmon, Fresh.....	4,121,560	232,088	5.63	3,062,450	232,205	7.58
Herring, Fresh.....	4,107,941	91,962	2.23	2,710,075	98,420	3.63
Herring, Salt.....	1,271,955	37,971	2.98	803,913	37,465	4.66
Haddock.....	1,518,172	82,650	5.44	1,355,677	117,195	8.66
Whitefish.....	1,032,809	76,688	7.42	1,017,169	91,170	9.04
Cod, Salted.....	516,872	22,893	4.43	435,353	30,783	7.07
	39,785,688			36,985,925		

The preceding Table VI will show in a general way the transactions of the cold storage companies in fish for the year 1916. These dealings, while of considerable importance, are not extensive as compared with those in meat and dairy products. The margin earned seems to be substantial, considering the small capital cost per pound of the commodity. As it is intended to prepare and issue special data concerning fish the analysis of business done by the cold storage companies will not for the present be carried further.

STATEMENT FOR MARCH 1917.—Quantities on hand, Purchased and Sold by Cold Storage companies with average Prices during the month of March 1917.

	Quantity on Hand March First, and Value.			Quantity purchased and Cost.			Quantity Sold and selling Price.		
	Lbs. or doz.	\$	Average value per lb. or doz.	Lbs. or doz.	\$	Average Cost Price per lb. or doz.	Lbs. or doz.	\$	Average Selling Price per lb. or doz.
Butter.....	2,589,013	960,239	37.09	990,176	405,236	40.92	2,276,032	937,794	41.20
Eggs.....	99,119	34,263	34.6	1,213,695	449,325	37.00	1,166,809	445,174	38.2
Cheese.....	1,219,972	281,766	23.09	207,027	54,469	26.3	554,243	144,028	25.9
Beef.....	18,527,176	1,941,774	10.05	9,913,822	1,434,855	14.5	14,443,354	1,849,427	12.8
Pork.....	22,651,485	4,410,287	19.47	15,810,183	3,268,164	20.67	11,609,371	2,572,541	22.15
Bacon.....	10,449,750	2,191,887	20.9	15,287,240	3,415,279	22.3	14,181,782	3,094,980	21.8
Ham.....	2,049,030	452,945	22.1	664,034	162,706	23.1	778,429	205,237	26.3
Mutton and Lamb.....	3,818,160	668,369	17.5	477,447	101,390	21.2	1,026,467	195,756	19.7

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STATEMENT FOR MARCH 1916.—Quantities Purchased and sold by Cold Storage Companies with average prices during the month of March 1916.

	Quantity purchased and Cost.			Quantity sold and Selling Price.		
	Lbs.	\$	Average Cost Price per lb. or doz.	Lbs.	\$	Average selling Price per lb. or doz.
Butter.....	758,296	235,525	31.06	2,122,057	680,048	32.05
Eggs.....	1,261,343	303,658	24.07	1,182,534	316,691	26.78
Cheese.....	535,565	103,172	19.26 ¹	1,578,185	272,945	17.36
Beef.....	9,350,282	1,189,846	12.72	10,122,631	1,148,663	11.35
Pork.....	12,784,183	1,843,948	14.43	8,483,666	1,309,911	15.44
Bacon.....	10,987,301	1,762,588	16.04	10,807,185	1,954,067	18.8
Ham.....	693,301	104,167	15.02	688,562	123,131	17.88
Mutton and Lamb.....	3,395,833	411,094	12.11	1,589,691	233,518	14.69

¹NOTE.—Cheese purchased in March for succeeding season.

STATEMENT OF COLD STORAGES FOR CANADA.

BUTTER—MARCH, 1917.

	Quantity on Hand First Day of the Month.			Quantity Purchased During the Month.			Quantity Sold During the Month.		
	Lbs.	\$	Cost Average	Lbs.	\$	Cost Average	Lbs.	\$	Price Average
Montreal.....	360,570	134,872	37.40	343,011	144,620	42.16	690,467	290,845	42.12
	200,870	82,605							
Ontario (exclusive of Toronto)...	374,046	138,829	37.11	75,659	29,890	39.50	257,338	102,708	39.91
Toronto.....	809,511	306,189	37.82	439,133	178,273	40.59	646,342	268,770	41.56
	183,128	69,259					194,275	80,741	
Winnipeg.....	173,451	62,936	36.28	34,724	11,351	32.68	157,284	60,256	38.31
	7,630	2,768					2,951	1,131	
Alberta and Saskatchewan.....	213,105	64,933	30.46	8,910	3,580	40.17	167,965	65,281	38.86
	7,674	2,338					763	297	
British Columbia.....	152,657	53,890	35.30	71,970	30,871	42.89	139,693	60,319	43.18
	36,591	13,363							
Yukon.....	17,960	8,440	46.98				1,440	719	49.93
Maritime Provinces...	19,200	7,159		740	263	35.54	4,840	1,805	37.29
Manitoba (exclusive of Winnipeg)...	32,620	12,657		16,029	6,388	39.85	12,665	4,922	38.86
Total.....	2,589,013	960,239	37.09	990,176	405,236	40.92	2,276,032	937,794	41.20

Goods stored for others:—	
Quantity on hand first day of the month.....	870,943
Quantity received during month.....	159,890
Qtuanity removed during the month.....	425,335

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STATEMENT OF COLD STORAGES IN CANADA.
EGGS—MARCH, 1917.

	Quantity on Hand the First day of the Month.			Quantity Purchased During the Month.			Quantity Sold During the Month.		
	Lbs.	\$	Cost Average	Lbs.	\$	Cost Average	Lbs.	\$	Price Average
Montreal.....	10,897 2,700	3,249 807	29·9	345,226	137,328	39·8	343,452	138,598	40·2
Ontario (ex- clusive of Toronto)...	55,706 321	17,581 102	31·6	88,028	33,874	38·5	98,465 450	35,652 162	36·1
Toronto.....	4,786 9,941	1,991 4,236	41·6	511,937	188,811	36·9	364,394 115,985	136,923 43,577	37·6
Winnipeg.....	8,634 120	3,871 53	44·1	132,653	46,826	35·3	132,035	48,577	36·8
Alberta and Saskatche- wan.....	1,980 300	826 125	41·7	31,170 49,350	9,178 14,509	29·4 Est'd.	69,927 1,440	26,262 440	37·5
British Columbia...	1,020 2,714	1,033	38·1	38,813	13,083	33·7	24,521	9,125	37·4
Maritime Provinces...				9,500	3,230	32·9	9,210	3,225	35·0
Manitoba (ex- clusive of Winnipeg)...				7,020	2,486	35·4	7,020	2,633	37·5
Total.....	99,119	34,263	34·6	1,213,695	449,325	37·0	1,166,809	445,174	38·2

Goods stored for others:—		
Quantity on hand first day of the month.....		1,800
Quantity removed.....		4,800
Quantity received.....		11,758

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STATEMENT OF COLD STORAGES IN CANADA.—*Con.*

CHEESE, MARCH, 1917.

	Quantity on Hand First Day of the Month.			Quantity Purchased During the Month.			Quantity Sold During the Month.		
	Lbs.	\$	Cost Average	Lbs.	\$	Cost Average	Lbs.	\$	Price Average
Montreal.....	407,736	83,953	20.59	58,031	15,490	26.69	92,223	24,002	26.02
	58,229	11,987							
Ontario.....	113,035	26,012	23.01	7,923	2,079	26.24	64,812	16,002	24.68
	32,085	7,383					1,313	324	
Toronto.....	270,109	69,250	25.63	100,177	26,461	26.41	144,760	37,885	26.17
	34,423	8,823					53,958	14,121	
Manitoba and Winnipeg..	134,199	33,633	25.06	1,114	276	24.77	46,214	12,738	27.56
Alberta and Saskatchewan.....	141,018	32,658	23.15	5,126	1,688	32.93	119,979	30,786	25.66
British Columbia...	32,138	8,067	25.10	34,656	8,475	24.45	30,984	8,170	26.40
Total.....	1,219,972	281,766	23.09	207,027	54,469	26.3	554,243	144,028	25.9

Goods stored for others:—

Quantity on hand first day of the month.....	331,311
Quantity received during the month.....	60,155
Quantity removed during the month.....	262,637

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STATEMENT OF COLD STORAGES IN CANADA.—*Con.*
BACON, MARCH, 1917.

	Quantity on Hand the First Day of the Month.			Quantity Purchased During the Month.			Quantity Sold During the Month.		
	Lbs.	\$	Cost Average	Lbs.	\$	Cost Average	Lbs.	\$	Price Average
Montreal.....	1,279,078	261,970	20·48	1,704,565	387,280	22·72	1,239,530	293,154	23·65
“	200	40	.....	100	23	23·23	47,875	11,322	28·00
“	100						100	28	
Ontario (exclusive of Toronto)...	1,047,221	253,888	24·24	2,780,372	636,336	22·88	2,211,965	522,648	23·62
“	740,684	179,542	.....					
Toronto.....	6,857,382	1,385,444	20·20	10,397,659	2,295,852	22·08	1,648,222	345,608	.....
“	29,073	587	.....				8,523,899	1,785,757	20·95
Winnipeg.....	124,756	27,110	21·73	103,662	25,604	24·69	153,941	38,010	24·69
“	105,878	23,007	.....					
Alberta and Saskatchewan.....	143,794	32,037	.....					
“	112,335	25,037	22·28	247,756	56,373	22·75	302,992	83,489	27·52
British Columbia..	3,058	757	24·55	53,126	13,834	26·04	52,559	14,684	27·94
“	1,150	282	.....					
Yukon.....	5,116	2,071	.....				699	280	40·00
Total.....	10,449,750	2,191,887	20·9	15,287,240	3,415,279	22·3	14,181,782	3,094,980	21·8

Goods stored for others:—
Quantity on hand first day of month..... 3,653 pounds.
Quantity received during month..... None. “
Quantity removed during month.. .. None. “

7 GEORGE V, A. 1917

STATEMENT OF COLD STORAGES IN CANADA.—*Con.*
HAM, MARCH, 1917.

	Quantity on Hand the First Day of the Month.			Quantity Purchased During the Month.			Quantity Sold During the Month.		
	Lbs.	\$	Cost Average	Lbs.	\$	Cost Average	Lbs.	\$	Price Average
Montreal.....	375,384	82,902	22·1	124,514	29,608	23·8	155,538	42,171	27·1
O n t a r i o (exclusive of Toronto)...	352,794 219,786	81,109 50,551	23·00	267,272	69,640	26·00	206,868	57,941	28·00
Toronto.....	407,427 36,237	89,802 8,019	22·1	91,834	21,121	23·00	90,692 97,842	22,199 23,971	24·5
Winnipeg.....	182,302 184,394	36,793 37,342	20·3	26,545	5,740	21·7	76,573	18,340	25·2
Alberta.....	78,826	17,718	22·5	36,990	7,213	19·5	78,277	20,344	26·00
Saskatchewan	193,945	43,636	22·5	72,143	17,939	24·9	36,976	10,207	27·6
Quebec (exclu- sive of Montreal)...	3,000	600	20·00	1,000	230	23·00	100	280	28·00
British Columbia...	3,687 3,200	869 754	23·56	43,736	11,215	25·6	34,082	9,417	30·56
Yukon.....	8,048	2,644	32·84				581	367	63·12
Total.....	2,049,030	452,945	22·1	664,034	162,706	23·1	778,429	205,237	26·3

Goods stored for others:—
Quantity on hand first day of the month..... 113,516 pounds.
Quantity received during the month..... 12,400
Quantity sold during the month..... 13,200

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STATEMENT OF COLD STORAGES IN CANADA.—*Con.*
PORK, MARCH, 1917.

	Quantity on Hand First Day of the Month.			Quantity Purchased During the Month.			Quantity Sold During the Month.		
	Lbs.	\$	Cost Average	Lbs.	\$	Cost Average	Lbs.	\$	Price Average
Montreal.....	632,636	121,382	19·2	494,603	96,954	19·6	631,679	136,923	22·4
O n t a r i o (exclusive of Toronto)...	2,253,119 12,978	410,009 2,362	18·2	2,467,250	487,203	19·8	2,942,916	571,377	19·4
Toronto.....	11,169,719 52,672	2,183,135 10,271	19·5	7,758,938	1,636,802	21·1	4,839,428 451,474	1,163,006 108,805	24·1
Winnipeg.....	1,970,206	388,162	19·6	1,545,027	281,403	18·2	918,185	197,719	21·5
Alberta and Saskatche- wan.....	4,918,345	916,886	19·6	2,760,980	576,350	20·9	1,345,555	280,138	20·7
Quebec.....	2,000	420	21·00	4,000	840	21·00	6,000	1,380	23·00
British Columbia...	1,606,967 16,140	324,646 3,260	20·20	779,385	188,612	24·2	464,192	112,901	24·32
Yukon.....	16,703	4,288	25·67				942	292	30·94
Total.....	22,651,485	4,410,287	19,47	15,810,183	3,268,164	20·67	11,609,371	2,572,541	22·15

Goods stored for others:—
Quantity on hand first day of the month..... 550,972 pounds.
Quantity received during month..... 414,111 “
Quantity removed during month..... 114,470 “

7 GEORGE V, A. 1917

STATEMENT OF COLD STORAGES IN CANADA.
MUTTON AND LAMB, MARCH, 1917.

	Quantity on Hand First Day of the Month.			Quantity Purchased During the Month.			Quantity Sold During the Month.		
	Lb.	\$	Cost Average	Lb.	\$	Cost Average	Lb.	\$	Cost Average
Montreal.....	856,847 300	158,156 45	18.45 15.0	4,015 100	777 15	19.32 15.0	119,071 400	21,439 80	18.0 20.0
Ontario.....	4,797	1,008	21.01	16,687	4,139	24.80	19,467	4,025	20.48
Toronto.....	1,318,629	234,611	17.79	221,436	42,487	19.18	402,191 37,160	75,629 6,986	18.80
Winnipeg.....	348,072 242,042	65,222 45,234	18.73	34,980	6,827	19.51	76,786	14,627	19.04
Alberta and Saskatche- wan.....	567,656 64,107	88,502 9,994	15.59	51,862	10,200	19.66	144,247	27,206	18.86
Yukon.....	6,550	1,997	30.48				1,129	403	35.65
British Co- lumbia...	101,091 19,237	16,794 3,195	16.61	148,367	36,945	24.9	155,336	32,461	
Maritime Pro- vinces...	288,607 225	43,291 22					70,500	12,900	18.29
Total.....	3,818,160	668,369	17.5	477,447	101,390	21.2	1,026,467	195,756	19.7

Goods stored for others:—
Quantity on hand first day of the month..... 898,910
Quantity received during the month..... 76,605
Quantity removed during the month..... 285,129

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STATEMENT OF COLD STORAGES IN CANADA.

BEEF, MARCH, 1917.

	Quantity on Hand First Day of the Month.			Quantity Purchased During the Month.			Quantity Sold During the Month.		
	Lb.	\$	Cost Average	Lb.	\$	Cost Average	Lb.	\$	Cost Average
Montreal.....	2,955,846 6,000	343,563 480	11·62 8·0	739,604 2,000	94,210 240	12·73 12·0	2,077,507 3,000	191,519 390	9·21 13·0
Ontario.....	99,517 7,500	13,486 1,016	13·55	777,409	112,330	14·45	774,757	107,252	13·84
Toronto.....	5,936,980	685,100	11·53	5,092,274	759,840	14·92	3,901,899 1,410,403	556,012 200,982	14·25
Winnipeg.....	2,995,267 181,018	304,049 18,373	10·15	952,352 94,248	131,969 13,053	13·85	3,034,176	366,969	12·09
Brandon.....	4,575,925 574,612	376,228 46,118	8·2	1,019,385	122,927	12·1	1,839,938	226,290	12·3
British Columbia.....	930,766 46,550	110,292 5,512	11·84	1,225,350	198,386	16·2	1,284,351	190,423	14·82
Yukon.....	114,395	28,514	24·92				9,823	2,590	26·46
Maritime Provinces.....	102,800	8,224		11,200	1,900		68,500	7,000	10·22
Total.....	18,527,176	1,941,774	10·5	9,913,822	1,434,855	14·5	14,443,354	1,849,427	12·8

Goods stores for others:—	
Quantity on hand first day of the month.....	2,645,329
Quantity received during the month.....	458,753
Quantity remoyed during the month.....	1,064,759

STATEMENT for April, 1917.—Quantities on hand, purchased and sold, by Cold Storage Companies with average prices for the month of April, 1917.

Commodity.	Quantity on hand April first.			Quantity purchased during the month.			Quantity sold during the month.			Goods stored for others: Quantity hand first day of the month.
	Lb.	\$	Average.	Lb.	\$	Average.	Lb.	\$	Average.	
Butter.....	1,372,975	512,860	37.35	936,344	375,247	40.07	1,720,410	693,855	40.33	228,286
Eggs.....	177,637	58,081	32.69	2,002,883	683,378	34.12	1,260,985	451,629	35.74	37,620
Cheese.....	516,921	132,323	25.58	1,176,662	296,199	25.17	550,921	150,300	27.28	177,576
Beef.....	12,353,374	1,376,098	11.14	11,496,837	1,774,384	15.43	13,526,965	2,015,154	14.89	3,175,906
Pork.....	23,108,011	4,836,364	20.93	17,142,108	3,965,853	23.14	10,489,492	2,444,530	23.30	616,134
Smoked meats.....	49,256	9,688	19.66	216,226	55,853	25.83	212,483	54,676	25.73	..
Bacon.....	12,309,305	2,829,234	22.98	15,775,988	3,847,582	24.39	12,400,707	3,052,258	24.61	1,479
Ham.....	2,041,813	494,172	24.20	668,963	179,039	26.76	653,603	181,575	27.28	251,494
Hams and bacon.....	240,280	61,568	25.58	885,180	223,689	25.38	820,171	230,595	28.12	792
Mutton and lamb.....	2,082,387	386,201	16.2	230,627	48,638	20.1	778,506	152,411	19.6	736,106
Fish.....	156,992	17,228	10.96	12,450	1,494	12.00	64,883	7,734	11.96	.....
All varieties cod-haddock.....	5,725	400	7.0	5,946	44	7.35	9,781	978	10.0	161,102
Haddock.....	50,038	4,997	9.99	1,845	194	10.5	28,015	3,227	11.52	2,670
Halibut.....	233,893	27,502	11.76	428,584	44,142	13.62	286,868	34,502	12.3	13,165
Herring (salt).....	59,900	4,598	7.67	640	45	7.03	10,955	871	8.0	73,852
Herring (fresh) (exclusive of British Columbia)...	56,287	2,848	5.0	.....	.....	.....	8,198	450	5.49	354,334
Herring, British Columbia.....	1,697,725	14,731	0.89	309,875	3,385	10.09	305,117	4,578	1.5	.....
Salmon.....	30,671	3,041	9.91	78,468	9,346	11.91	85,285	11,453	13.43	99,602
White fish.....	85,705	8,082	9.43	6,447	751	11.65	65,646	7,126	12.38	29,882

STATEMENT for April, 1916.—Quantities purchased and sold by Cold Storage Companies with average prices.

Commodity.	Bought.			Sold.		
	Lbs.	\$	Average.	Lbs.	\$	Average.
Butter.....	1,578,853	503,145	31.9	2,064,164	672,908	32.6
Eggs.....	2,610,273	697,999	26.7	1,460,144	347,143	24.6 ¹
Cheese.....	1,691,438	295,609	17.5	1,405,664	257,944	18.4
Beef.....	12,279,428	1,411,932	11.5	18,540,965	2,332,872	12.6
Pork.....	12,272,499	1,923,355	15.7	7,648,430	1,247,501	16.3
Bacon.....	7,890,256	1,337,970	16.8	12,602,164	2,425,226	19.2
Smoked Pork (unclassified).....	3,983,334	625,468	15.7	4,862,000	902,142	18.6
Ham.....	625,496	101,511	16.2	785,375	154,029	19.6
Mutton and Lamb.....	562,229	94,627	16.9	1,168,994	194,845	16.7
Fish (unclassified).....	118,931	7,212	6.1	183,174	17,121	9.3
Cod.....	173,012	17,343	10.02	11,106	1,125	10.02
Haddock.....	927,222	61,418	6.3	1,096,153	93,474	8.5
Halibut (fresh).....	195,792	12,645	6.5	277,985	24,859	8.2
Herring (fresh).....	27,900	1,604	5.7	419,477	17,013	4.06 ²
Herring (salt).....	48,963	1,896	3.25	35,587	1,711	4.8
Salmon (fresh).....	86,028	6,459	7.5	66,548	8,536	12.8 ³
Whitefish.....	2,325,699	195,434	8.4	1,039,660	102,886	9.9

NOTE 1.—This does not necessarily represent a loss as cold storage companies sell remainder of previous season's stock in April or at the end of March, the profit being made on sales in the previous months.

NOTE 2.—Low selling price due to sale of approximately 350,000 pounds by a company in Nova Scotia at less than 4 cents a pound.

NOTE 3.—Wide margin is due to the fact that the bulk purchases are made by companies on the coast and the bulk sales are made by companies in Winnipeg.

7 GEORGE V, A. 1917

STATEMENT OF COLD STORAGES FOR CANADA.
BUTTER—APRIL, 1917.

	Quantity on Hand First Day of the Month.			Quantity Purchased During the Month.			Quantity Sold During the Month.		
	Lbs.	\$ cts.	Average value per Lb.	Lbs.	\$ cts.	Average Cost Price.	Lbs.	\$ cts.	Average Selling Price.
Maritime Provinces..	11,000	2,860 00	26·71				10,700	2,900 00	27·1
Quebec.....	67,861	26,360 49	38·84	229,010	91,677 72	40·03	306,620	127,758 61	41·67
	111,494	43,304 27							
Ontario.....	188,576	70,792 52	35·74	98,710	39,511 95	40·43	203,800	78,487 07	38·51
	14,632	5,229 48							
Toronto.....	455,922	179,123 73	39,29	413,975	166,355 25	40·18	626,399	254,175 63	40·57
	57,903	22,750 09					100,199	40,650 73	
Manitoba.....	96,952	34,002 94	35·07	117,160	46,323 83	39·54	201,432	79,480 53	39·45
	37,407	13,118 63					5,538		
Alberta and Saskatchewan	109,219	32,583 67	29·83	23,410	9,120 19	38·95	132,905	53,603 42	39·58 ¹
	3,794	1,131 75							
British Columbia..	199,221	74,500 82	37·39	54,079	22,255 81	41·15	132,817	56,798 38	42·69
	18,994	7,101 87							
Total.....	1,372,975	512,860	37·35	936,344	375,247	40·07	1,720,410	693,855	40·33.

Goods stored for others:—	
Quantity on hand first day of the month.....	228,286
Quantity received during the month.....	97,895
Quantity removed during the month.....	238,921

NOTE¹—This is due to a large profit made by one company in butter, approximately 2,000,000 pounds of butter were sold at a margin of 10 cents a pound.

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STATEMENT OF COLD STORAGES FOR CANADA.
EGGS—APRIL, 1917.

	Quantity on Hand First Day of the Month.			Quantity Purchased During the Month.			Quantity Sold During the Month.		
	Lbs.	\$ cts.	Average value per lb.	Lbs.	\$ cts.	Average Cost Price.	Lbs.	\$ cts.	Average Selling Price.
Maritime Provinces..	300	90 00	30·00	18,300	5,655 00	30·90	17,520	5,950 00	33·96
Montreal.....	14,593 3,330	5,355 60 1,233 11	36·7	490,732	176,459 03	35·96	357,675	138,867 18	38·82
Ontario.....	76,509 24,411	25,273 21 8,062 95	33·03	469,126	156,846 31	33·43	240,422	84,225 51	35·03
Toronto.....	9,033 4,971	3,341 36 1,838 77	36,99	502,521	177,567 72	35 33	333,994 35,169	120,408 76 12,678 42	36·05
Manitoba.....	8,662	2,767 80	31·95	345,101	109,113 93	31 62	159,185	52,288 02	32·9
Alberta and Saskatchewan	12,180 9,241	3,255 54 2,468 95	26·73	96,978	31,449 54	32·43	64,335	19,425 00	30·19
British Columbia..	13,567 840	4,139 57 256 28	30·51	80,125	26,286 78	32·8	52,685	17,787 33	33·76
Total....	177,637	58,081	32·69	2,002,883	683,378	34·12	1,260,985	451,629	35·74

Goods stored for others:—	
Quantity on hand first day of the month.....	37,620
Quantity received during the month.....	464,841
Quantity removed during the month.....	31,360

7 GEORGE V, A. 1917

STATEMENT OF COLD STORAGES FOR CANADA.

CHEESE APRIL, 1917.

	Quantity on Hand First Day of the Month.			Quantity Purchased During the Month.			Quantity Sold During the Month.		
	Lbs.	\$ cts.	Average value per lb.	Lbs.	\$ cts.	Average Cost Price.	Lbs.	\$ cts.	Average Selling Price.
Quebec	21,398 15,927	5,485 10 4,082 09	25.63	702,128	170,496 88	24.28	69,116	18,653 47	27.99
Ontario	94,878 22,451	22,758 13 5,385 99	23.99	166,524	44,181 55	26.53	123,109	33,652 18	27.33
Toronto.....	176,543	44,307 52	25.09	211,660	55,591 13	26.26	249,034	67,976 00	27.03
Manitoba	91,179	23,259 43	25.51	45,198	11,878 75	26.06	25,554	6,760 76	26.46
Alberta and Saskatchewan	52,906	14,215 72	26.87	42,391	11,874 39	28.01	61,716	17,118 52	27.74
British Columbia..	41,639	10,829 22	26.01	8,761	2,176 07	24.84	22,392	6,139 47	27.42
Total.....	516,921	132,323 20	25.58	1,176,662	296,198 77	25.17	550,921	150,300 40	27.28

Goods stored for others:—

Quantity on hand first day of the month.....	177,576
Quantity received during the month.....	175,047
Quantity removed during the month.....	237,900

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STATEMENT OF COLD STORAGE FOR CANADA.
BEEF—APRIL, 1917.

	Quantity on Hand First Day of the Month.			Quantity Purchased During the Month.			Quantity Sold During the Month.		
	Lbs.	\$ cts.	Average Value per lb.	Lbs.	\$ cts.	Average Cost Price.	Lbs.	\$ cts.	Average Selling Price.
Maritime Provinces...	45,500	7,361 90	¹ 16·18	4,200	700 00	16·67	38,900	5,595 00	16·18
Quebec.....	2,161,434	262,066 11	² 12·12	825,392	128,963 48	15·62	1,039,374	182,593 65	17·57
	3,000	363 60		6,000	937 20				
Ontario.....	107,069	17,169 36	16·03	577,372	98,762 36	17·10	605,752	90,964 78	15·01
	9,500	1,522 85							
Toronto.....	3,683,660	444,335 79	12·06	6,697,350	1,037,839 80	15·49	4,710,576	739,276 48	15·48
							1,004,339	155,471 68	
Manitoba.....	1,161,611	134,252 05	11·56	1,208,872	174,086 45	14·40	1,823,913	245,859 50	13·48
	95,897	11,085 69							
Alberta and Saskatchewan.....	3,623,369	319,460 17	8·81	820,452	113,338 47	13·81	2,748,486	371,282 89	13·51
	434,996	38,323 15							
British Columbia.....	996,088	135,896 10	13·64	1,357,199	219,766 97	16·19	1,555,625	224,959 83	14·39
	31,250	4,262 50							
Total.....	12,353,374	1,376,098 00	11·14	11,496,837	1,774,394 00	15·43	13,526,965	2,015,154 00	14·89

¹Value estimated.
²Details of two large factors in these transactions.

STATEMENT OF COLD STORAGE FOR CANADA.

	Quantity on Hand.			Quantity Bought.			Quantity Sold.		
	Lbs.	\$ cts.	Average	Lbs.	\$ cts.	Average	Lbs.	\$ cts.	Average
Co. A.....	1,709,531	220,985 07	12·34	439,076	65,196 33	14·84	608,694	118,321 00	19·43
Co. B.....	370,903	41,081 04	11·08	361,006	60,087 96	16·64	430,680	64,272 00	14·92

Goods stored for others:—
Quantity on hand first day of the month..... 3,175,906
Quantity received during the month..... 348,644
Quantity removed during the month..... 820,947

7 GEORGE V, A. 1917

STATEMENT OF COLD STORAGE FOR CANADA.
PORK, APRIL, 1917.

	Quantity on Hand First Day of the Month.			Quantity Purchased During the Month.			Quantity Sold During the Month.		
	Lbs.	\$ cts.	Average Value per lb.	Lbs.	\$ cts.	Average Cost Price.	Lbs.	\$ cts.	Average Selling Price.
Quebec...	569,955	123,076 90	21.59	514,524	99,800 04	19.39	479,949	99,124 42	20.65
Ontario.....	1,828,185	381,750 99	20.88	2,605,369	629,458 18	24.16	2,173,953	478,446 44	22.01
Toronto.....	11,743	2,451 94	20.77	10,569,780	2,512,680 08	23.77	5,570,106	1,381,494 64	24.80
	12,060,211	2,505,497 74					183,419	45,487 91	.....
Manitoba. .	442,962	107,090 26	24.17	798,533	138,328. 50	17.32	354,202	74,647 43	21.07
	61,776	14,931 26							
Alberta and Saskatchewan.....	5,806,265	1,196,063 39	20.59	2,136,249	448,972 60	21.01	1,202,566	245,874 99	20.44
	383,653	78,994 15							
British Columbia..	1,943,261	418,201 10	21.52	517,653	136,614 31	26.58	525,297	119,455 50	22.74
Total.....	23,108,011	4,836,364 00	20.93	17,142,108	3,965,853 00	23.14	10,489,492	2,444,530 00	23.30

Goods stored for others:—
Quantity on hand first day of the month..... 616,134
Quantity received during the month..... 308,069
Quantity removed during the month..... 44,791

STATEMENT OF COLD STORAGE FOR CANADA
SMOKED MEATS, APRIL, 1917.

	Quantity on Hand First Day of the Month.			Quantity Purchased During the Month.			Quantity Sold During the Month.		
	Lbs.	\$ cts.	Average Value per lb.	Lbs.	\$ cts.	Average Cost Price	Lbs.	\$ cts.	Average Selling Price.
Ontario.....	22,344	5,270 54	23.59	121,630	32,298 40	26.55	129,829	32,250 06	24.84
Manitoba.....	16,917	4,417 72	26.11	94,596	23,555 23	24.81	82,654	22,426 78	27.13
Total.....	49,256	9,688 00	19.66	216,226	55,853 00	25.83	212,483	54,676 00	25.73

Goods stored for others:—None.

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STATEMENT OF COLD STORAGE FOR CANADA.
BACON, APRIL, 1917.

	Quantity on Hand First Day of the Month.			Quantity Purchased During the Month.			Quantity Sold During the Month.		
	Lbs.	\$ cts.	Average value per lb.	Lbs.	\$	Average Cost Price.	Lbs.	\$ cts.	Average Selling Price.
Quebec...	2,441,319	549,916 65	22·52	3,151,720	770,705 44	24·45	2,576,805	636,205 09	24·68
Ontario..	1,148,500	280,047 45	24·38	2,178,830	510,172 68	23·41	2,296,084	582,530 24	25·37
	1,013,844	247,175 17							
Toronto..	7,042,063	1,616,236 35	22·95	10,100,682	2,483,519 14	24·58	1,466,134	354,537 30	24·12
	27,513	6,314 23							
Manitoba.	111,442	26,655 44	23·91	24,976	5,927 49	27·78	61,766	16,656 31	26·97
	110,021	6,506 02							
Alberta and Saskatchewan....	127,448	29,152 59	22·85	255,314	59,722 57	23·39	335,899	93,482 82	27·80
	211,316	48,285 71							
British Columbia	73,989	18,510 91	25·01	64,466	17,535 42	27·20	50,765	14,931 62	29·39
	1,850	462 69							
Total.	12,309,305	2,829,234	22·98	15,775,988	3,847,582	24·39	12,400,707	3,052,258	24·61

Goods stored for others:—		
Quantity on hand first day of the month.....		1,479
Quantity received during the month.....		201,531
Quantity removed during the month.....		1,100

7 GEORGE V, A. 1917

STATEMENT OF COLD STORAGE FOR CANADA.
HAM APRIL, 1917.

	Quantity on Hand First Day of the month.			Quantity Purchased During the Month.			Quantity Sold During the Month.		
	Lbs.	\$ cts.	Average Value. per lb.	Lbs.	\$ cts.	Average Cost Price.	Lbs.	\$ cts.	Average Selling Price.
Quebec.....	334,120	79,811 49	23·89	117,799	33,490 53	28·43	113,178	30,622 72	27·04
Ontario.....	386,108	100,284 76	25·94	245,939	70,266 15	28·57	139,920	41,221 45	29·50
	246,384	63,912 01							
Toronto.....	349,896	85,248 05	24·37	117,448	27,454 45	23·37	140,547	40,052 06	28·50
	33,155	8,079 87							
Manitoba.....	149,727	30,745 78	20·53	9,616	2,136 12	22·21	64,366	15,421 03	23·96
	185,994	38,845 68							
Alberta and Saskatchewan..	18,789	4,570 72	24·33	129,899	32,858 69	25·29	136,815	37,076 83	27·09
	217,749	52,978 33							
British Columbia..	117,191	28,990 01	24·79	48,262	12,832 88	26·06	28,136	8,442 80	30·00
	2,700	669 33							
Total.....	2,041,813	494,172	24·20	668,963	179,039	26·76	653,603	181,575	27·28

Goods stored for others:—	
Quantity on hand first day of the month.....	251,494
Quantity received during the month.....	25,368
Quantity removed during the month.....	85,636

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STATEMENT OF COLD STORAGE FOR CANADA.

HAMS AND BACON, APRIL, 1917.

	Quantity on Hand First Day of the Month.			Quantity Purchased During the Month.			Quantity Sold During the Month.		
	Lbs.	\$ cts.	Average Value per lb.	Lbs.	\$ cts.	Average Cost Price.	Lbs.	\$ cts.	Average Selling Price.
Montreal.....	107,321	24,857 91	23 16	232,647	49,502 35	21·28	169,504	42,523 26	25·1
Toronto.....	57,912	17,056 17	29·25	168,281	45,897 87	27·27	178,710	54,162 59	30·31
Manitoba....	36,138	10,568 00	29·25	189,109	49,125 00	25·98	194,315	59,921 00	30·84
Alberta.....	38,909	9,086 80	27·93	295,143	79,163 68	26·82	277,642	73,988 29	26·65
Total.....	240,280	61,568·00	25·58	885,180	223,689·00	25·38	820,171	230,595 00	28·12

Goods stored for others:—

Quantity on hand first day of the month.....	792
Quantity received during the month.....	560
Quantity removed during the month.....	1,006

STATEMENT OF COLD STORAGE FOR CANADA.

MUTTON AND LAMB—APRIL, 1917.

	Quantity on Hand First Day of the month.			Quantity Purchased During the Month.			Quantity Sold During the Month.		
	Lbs.	\$	Average	Lbs.	\$	Average	Lbs.	\$	Average
Maritime Provinces.....	15,400	2,772	18·0 ¹	.....	.....	.....	138,500	25,000	18·05
Montreal.....	742,336	141,431	19·05	3,029	609	20·1	103,991	20,438	19·6
Ontario (exclusive of Toronto).....	.....	.....	.....	13,543	2,829	20·9	16,562	3,312	20·0
Toronto.....	420,656	79,480	18·9	28,493	6,377	22·4	65,075	13,573	20·8
Winnipeg.....	430,242	83,602	19·4	9,356	1,944	20·8	103,601	21,834	21·1
Alberta and Saskatchewan.....	363,042	55,705	15·3	3,673	869	23·7	181,509	34,220	18·8
British Columbia.....	105,290	21,575	20·5	172,533	36,010	20·9	167,807	33,475	20·0
Yukon.....	5,421	1,636	30·2	.....	.....	.....	1,461	559	38·3
Total.....	2,082,387	386,201	16·2	230,627	48,638	20·1	778,506	152,411	19·6

¹Estimated.

Goods stored for others:—

Quantity on hand first day of the month.....	736,106
Quantity received during the month.....	36,329
Quantity removed during the month.....	210,027

7 GEORGE V, A. 1917

STATEMENT OF COLD STORAGE FOR CANADA.
FISH, ALL VARIETIES—APRIL, 1917.

	Quantity on Hand first Day of the Month.			Quantity Purchased During the Month.			Quantity Sold During the Month.		
	Lbs.	\$ cts.	Average value per lb.	Lbs.	\$ cts.	Average Cost Price.	Lbs.	\$ cts.	Average Sale Price.
Toronto.....	71,474	8,618 51	12·00.	.....	.....	.....	29,638	3,652 42	12·32
Manitoba.....	85,518	8,610 00	10·07	12,450	1,494 00	12·00	35,245	4,082 25	11·58
Total.....	156,992	17,228 00	10·96	12,450	1,494 00	12·00	64,883	7,734 67	11·96

Goods stored for others:—None.

STATEMENT OF COLD STORAGE FOR CANADA.
HALIBUT—APRIL 1917.

	Quantity on Hand First Day of the Month.			Quantity Purchased During the Month.			Quantity Sold During the Month.		
	Lbs.	\$ cts.	Average Value per lb.	Lbs.	\$ cts.	Average Cost Price.	Lbs.	\$ cts.	Average Selling Price.
Ontario.....	3,125	468 75	15·00	1,263	189 45	15·00	.....	.....	.....
Toronto.....	31,112	4,666 80	15·00	6,925	11,020 00	16·00	30,757	5,228 69	17·00
Manitoba.....	25,058	3,833 88	15·3	.....	.....	.....	14,232	2,223 07	15·62
Alberta and Saskatchewan...	31,344	4,988 76	15·91	.....	.....	.....	11,838	2,004 57	16·93
British Columbia.....	143,254	13,543 09	9·45	420,396	43,115 24	10·25	230,041	25,046 04	10·88
Total.....	233,893	27,502 00	11·76	428,584	44,412 00	13·62	286,866	34,502 00	12·3

Goods stored for others:—
Quantity on hand first day of the month..... 13,165
Quantity received during the month..... 5,251
Quantity removed during the month..... 2,765

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STATEMENT OF COLD STORAGE FOR CANADA.
SALMON—APRIL 1917.

	Quantity on Hand First Day of the Month.			Quantity Purchased During the Month.			Quantity Sold During the Month.		
	Lbs.	\$ cts.	Average Value per lb.	Lbs.	\$ cts.	Average Cost Price.	Lbs.	\$ cts.	Average Selling Price.
Toronto	7,517	751 70	110.00	6,959	695 90	10.0	14,476	1,592 36	11.0
Alberta.....	23,154	2,389 05	10.32	.....	.....	.....	9,119	1,115 32	12.23
British Columbia.....	30,671	3,041 00	9.91	71,509	8,650 06	12.09	61,690	8,744 94	12.55
Total.....	30,671	3,041 00	9.91	78,468	9,346 00	11.91	85,285	11,452 00	13.43

¹Estimated.
Goods stored for others:—
Quantity on hand first day of the month..... 99,602
Quantity received during the month..... 4,989
Quantity removed during the month..... 50,087

STATEMENT OF COLD STORAGE FOR CANADA.
HERRING (FRESH), APRIL, 1917.

	Quantity on Hand First Day of the Month.			Quantity Purchased During the Month.			Quantity Sold During the Month.		
	Lbs.	\$ cts.	Average value per lb.	Lbs.	\$ cts.	Average Cost Price.	Lbs.	\$ cts.	Average Selling Price.
Ontario	1,925	115 50	6.0	.....	.....	.....	.....	.....	.....
Toronto.	1,615	96 90	6.0	.....	.....	.....	1,500	97 50	6.5
Alberta and Saskatchewan	8,475	423 75	5.0	.....	.....	.....	6,698	352 49	5.26
	44,272	2,213 60	.....	.....	.....	.....	.....	.....	.....
Total for Canada exclusive of British Columbia.....	56,287	2,848 00	5.0	.....	.....	.....	8,198	450 00	5.49
British Columbia ..	1,697,725	14,731 31	0.89	309,875	3,385 14	10.9	305,117	4,576 75	1.5

¹This is fresh herring purchased directly from fishermen at boat, much of it is used for bait and some for fertilizer, overhead, packing, preservation charges included in these figures.
Goods stored for others:—
Quantity on hand first day of month..... 354,334
Quantity received during month..... 13,767
Quantity removed during month..... 69,105

7 GEORGE V, A. 1917

STATEMENT OF COLD STORAGE FOR CANADA.
FERRING (SALT), APRIL, 1917.

	Quantity on Hand First Day of the Month.			Quantity Purchased During the Month.			Quantity Sold During the Month.		
	Lbs.	\$ cts.	Average value per lb.	Lbs.	\$ cts.	Average Cost Price.	Lbs.	\$ cts.	Average Selling Price.
Manitoba .	13,160	847 36	6.44	....	....	....	3,255	243 40	7.44
Alberta and Saskatchewan	42,450	3,481 77	8.2	.....	....	....	6,760	557 20	8.24
British Columbia...	4,290	268 65	6.26	640	44 80	7.03	940	75 30	8.22
	59,900	4,598 00	7.67	640	44 80	7.03	10,955	871 00	8.00

Goods stored for others:—

Quantity on hand first day of the month.....	73,852
Quantity received during the month.....	9,760
Quantity removed during the month.....	14,730

STATEMENT OF COLD STORAGE FOR CANADA.
HADDOCK (SALT), APRIL, 1917.

	Quantity on Hand First Day of the Month.			Quantity Purchased During the Month.			Quantity Sold During the Month.		
	Lbs.	\$ cts.	Average Value per Lb.	Lbs.	\$ cts.	Average Cost Price	Lbs.	\$ cts.	Average Selling Price.
Ontario	14,110	1,191 82	8.45	.....	.....	.....	13,810	1,399 52	10.14
Toronto.....	7,636	717 78	9.40	1,845	193 72	10.5	5,926	681 49	11.5
Alberta and Saskatchewan.	22,307	2,565 30	11.5	.....	.....	.....	6,698	938 74	13.10
British Columbia.....	5,985	523 68	8.75	.....	.....	.....	1,581	209 32	13.23
Total.....	50,038	4,997 00	9.99	1,845	193 72	10.5	20,015	3,227 00	11.52

¹NOTE—Estimated.

Goods stored for others:—

Quantity on hand first day of the month.....	2,670
Quantity received during the month.....	3,120
Quantity removed during the month.....	1,005

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STATEMENT OF COLD STORAGE FOR CANADA.

WHITE FISH, APRIL, 1917.

	Quantity on Hand First Day of the Month.			Quantity Purchased During the Month.			Quantity Sold During the Month.		
	Lbs.	\$ cts.	Average Value per lb.	Lbs.	\$ cts.	Average Cost Price.	Lbs.	\$ cts.	Average Selling Price.
Toronto.....	38,828	3,899 98	10·04	6,447	751 40	11·65	47,240	5,211 90	11·03
	12,833	1,288 43	.....	.....	.....	.....	.....	.....	.....
Alberta and Saskatchewan.....	11,328	962 88	8·5	.....	.....	.....	18,406	1,914 16	10·4
	22,716	1,930 86	.....	.....	.....	.....	.....	.....	.....
Total.....	85,705	8,082 00	9·43	6,447	751 40	11·65	65,646	7,126 00	12·38

Goods stored for others:—

Quantity on hand first day of the month.....	29,882
Quantity received during the month.....	4,870
Quantity sold during the month.....	19,459

STATEMENT OF COLD STORAGE FOR CANADA.

COD-HADDOCK, APRIL, 1917.

	Quantity on Hand First Day of the Month.			Quantity Purchased During the Month.			Quantity Sold During the Month.		
	Lbs	\$ cts.	Average Value per lb.	Lbs.	\$ cts.	Average Cost Price.	Lbs.	\$ cts.	Average Selling Price.
Ontario.....	1,650	115 50	7·00	.....	.....	.....	.....	.....	.....
Toronto.....	4,075	284 90	6·99	5,946	445 80	7·35	9,781	978 10	10·00
Total.....	5,725	400 40	7·00	5,946	445 80	7·35	9·781	978 10	10·00

Special classification for use of a few firms.

Goods stored for others:—

Quantity on hand first day of the month.....	161,102
Quantity received during the month.....	140,435
Quantity removed during the month.....	5,850

7 GEORGE V, A. 1917

This lengthy document is now about concluded. In previous reports, rendered before the appointment of the Fuel and Food Controllers, I have made suggestions as to remedial action. The suggestion in the report concerning the coal situation that action be taken to ensure deliveries by means of enhanced production and improvement of transportation conditions has been met by the appointment of the Fuel Controller, whose attention is being given mainly to those matters. The suggestions made in the sugar report and also in the coal report as to the necessity for the constitution of a board to supervise price-fixing arrangements and that sort of thing is receiving attention. Now that a Food Controller has been appointed and very close co-operation established between that official and this branch of this department, I consider myself relieved from the making of any suggestions as to the amelioration of conditions as I may find and disclose them, deeming that the function of *action* concerning food prices and food conditions, as distinguished from that of *investigation*, is now his to perform, and that any recommendations of mine, even though valueless, or because so, might prove embarrassing. He will be furnished with a copy of this report, and all data secured on the investigation or to be secured will be (as he has requested, and as you as minister have directed) will be at his disposal.

CONCLUSIONS.

1. I find that the operations of cold storage companies generally have been fairly conducted. There has been no illegal combination nor any excessive accumulation on the part of any company.

2. Individual instances of profiteering occurred during the year 1916. These I have already identified. If they had occurred during the present year, since the provision of the Order in Council under which I am acting in the making of these investigations, I would consider it my duty to recommend that the facts be laid before the proper Attorney General for his consideration as to their criminality.

3. A tendency has become apparent during this present year, on the part of a few companies, to exact seemingly excessive margins upon beef and butter. Whether these margins are in fact excessive only a criminal prosecution or a declaration on the part of the Food Controller as to what shall be a fair price or a fair margin can determine.

4. While, since the coming into force of the Order in Council concerning the Cost of Living, the margins of the companies referred to in conclusion No. 2 have not ruled as high as during 1916, they are, in my judgment, yet too high; but I have to make concerning them the same observation as made concerning the companies referred to in conclusion No. 3. Perhaps the mere mention of the matter may lead to a desirable change in conditions.

5. As concerns the business of most other cold storage companies I consider that their profits on certain lines while not high as compared with before-the-war prices, might well be less. Their business has so immensely extended during the war period that the before-the-war margins of profit ought not to be considered now fair tests of fair profits.

6. Any reductions securable by the lessening of the margins of the cold storage companies will go only a short way towards reduction of prices to the consumer. The margin of the cold storage companies, (see the previous tables) is, per pound or per dozen, relatively small; the profits of the cold storage companies are made on their enormous turn-over.

7. The farmer, the cold storage operator, the wholesale produce merchant, the retailer and the consumer, indeed every person who in any manner has come into relation with the commodities covered by this report, including the farm labourer

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whose wages have been increased, the carter whose charge has been increased, the miller whose shorts and bran command higher prices, the employees of wholesalers and retailers whose salaries are higher, the consumer who requires delivery under a more expensive system, and who besides is, on his own part as master or employee a link in an independent but connecting chain of causation of high prices in some other commodity the price of which reacts upon the price of the commodities covered by this report, have all contributed with a multitude of unmentioned others to produce such prices as prevail. We cannot have peace prices in the midst of war conditions. As conditions change price levels will change—upwards or downwards. Prices depend upon costs. If certain costs must be paid certain prices must be charged. If the farmer can be enabled to produce cheaply and will sell at a reasonable price to a distributor or distributors who will resell at a fair profit all that is possible to be done will have been done. Eliminate the profit and you eliminate the enterprise. Substitute the state and it too must regard costs and earn sufficient profit to make the enterprise pay its way. Any other course leads towards state bankruptcy.

In connection with conclusion No. 3, I refer to the preceding figures for April, 1917. Replacement costs may have tended towards enhancement of the margin on beef during that month. The farmer or producer was charging more for the product. As respects butter, a western company sold over 200,000 pounds of butter at a margin of ten cents per pound. The selling price, notwithstanding, was but one cent above the average price ruling at the time. An explanation was demanded. It transpired that the butter had been bought at a price very much below the market rate. My conclusions concerning this case, based upon the law were as follows: The transactions were isolated. One who buys low, as one to whom an article is gifted, may, so far as the law is concerned, sell at the prevailing rates. A temporary fluctuation of a cent or two in price is common and unavoidable, so that it cannot be said of one who (unless consistently) sells a cent or so in advance of the prevailing price, that he is necessarily an extortioner. So I make no recommendation concerning the case but exhibit it as an example of an opportunity that came to a firm to share with the public a "good thing" but which opportunity the firm overlooked. Its action was not in my judgment illegal, but was it respectable? Likewise as to the more aggravated, because continuous, exaction of excessive profits by another firm, on bacon: aside from the matter of illegality, is this sort of thing to be considered respectable? Mine may be as the voice of one crying in the wilderness, but I have to register in the negative.

I desire to acknowledge that in the conduct of the investigation into cold storage conditions of Canada and in the preparation of this report thereon I have received from Miss B. J. McKenna, M.A., most important and valuable assistance. Miss McKenna is a professional economist of great skill and with a tireless aptitude for work. She has been acting as my chief assistant and as directress of the staff of the Cost of Living Branch of this department. If this report should be deemed to be of value, the major portion of any credit should go to her.

WILLIAM F. O'CONNOR,

Acting Commissioner,

re Cost of Living.

